ADVANCED

MANAGEMENT

DECEMBER 1957
VOLUME 22 NO. 12

Merry Christmas

Happy New Year

In This Issue . . .

Organizing For Electronics
Stevens L. Shea

Incentive Pay For Line Supervisors
Herbert A. Parsons

The More "Personal" Responsibilities Of The Top Executive
George W. Peak

Psychiatry And The Everyday Work Of The Foreman
Addison M. Duval, M.D.

(Full contents, page 3)

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DECEMBER 1957
VOLUME 22 NO. 12

Production Editor: Beatrice Jones

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"Through research, discussion, publications, and other appropriate means, to conduct and promote scientific study of the principles governing organized effort in industrial and economic life . . . for the general betterment of society . . ."
S.A.M. Constitution

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Research And Programming

WE ARE all aware of the ever increasing pace of scientific advancement. The expenditures of American industry for research and development are steadily increasing every year, and the benefits in the form of a stream of new and better products, produced in greater volume, are very much in evidence. By comparison, there is relatively little formal research taking place in the field of management, but there is, of course, a great deal of practical experimentation occurring constantly. That is, managers who are dissatisfied with the way things are being done presently are continually experimenting with new and better ways of carrying out such basic managerial functions as forecasting, planning, organizing, controlling, leading, and communicating.

One of the fundamental purposes of our Society is the study of new managerial practices and concepts. In order to accomplish this objective successfully, we must first determine what is new and worthy of study. It is my belief that great opportunity exists within the S.A.M for improvement in the process of identifying, cataloging, and studying new managerial practices and concepts and for more effectively bringing this information to our membership. This form of research, survey research, can be the basis for more effective Chapter programming. If it is thoroughly and consistently performed, it can provide a source of fresh, meaningful program material for the period ahead. Perhaps the "research-programming cycle" should go something like this: Step No. 1—identify and catalog significant new managerial concepts and practices; Step No. 2—check with the membership to determine greatest interest; Step No. 3—develop regular monthly meetings, conferences, seminars, etc., based on indicated interest; Step No. 4—evaluate results in order to benefit from experience; and, Step No. 5—repeat the process.

Under a procedure such as this, those in charge of Chapter Program Development should first determine the subject matter or content in which the membership is interested, then structure the program and line up the speakers or resource persons. A similar procedure could be carried out to develop programs concerned with established managerial practices and concepts in which segments of the membership might express an interest. Thus, the Chapter program as a whole should maintain the proper balance between "the old" and "the new". There is certainly a need for both.

H. E. Lunken
S.A.M. National President

Organizing For Electronics

By Stevens L. Shea

Planning Secretary
Massachusetts Mutual Life Insurance Company
Springfield, Mass.

A talk delivered at the 7th Annual Conference of the Western Massachusetts S.A.M. Chapter, May 1957.

How does a company go about setting up an organization to study electronic data processing and determining its probable effect and value to that company?

There are probably as many answers to this question as there are companies, but I think most, if not all, who go through this organizing mill consciously or unconsciously follow these five major steps:

1. The start or initiation
2. The backing of top management
3. The establishment of a senior advisory group
4. The establishment of a working or survey group
5. The intelligent use of the talents of these groups

I. *The Start:* The initiation of an electronics program can be made by anyone, —anyone that is, with enough authority, interest and drive so that the program will go forward. The initiation should be made to include as high level of authority as possible the president or vice president in charge of planning, if possible. These spearheading of the program at a high level will tend to impress those concerned with the importance of the program and the need for full co-operation. This beginning at the top and the valuable climate which can thereby result can hardly be overstressed.

II. *Backing of Top Management:* The official who spearheads the electronics program should, at this point, acquaint all senior officials with the fact that the study is to be made and with the purpose and importance of the study. In addition, it is highly desirable that he be able to discuss in a general way the results attainable if an electronics system were installed.

He should make every effort to enlist the support and co-operation of his fellow officials 1) so that the idea of the electronics program will be accepted by each member of top management and his subordinates; 2) so that officials will co-operate in freeing from their present duties some of the personnel who will make the detailed studies; 3) so that top management and its subordinates will co-operate in making available complete information about present procedures and requirements in their given areas.

III. *Establishment of a Senior Advisory Group:* Presumably, by this time the official spearheading the program and his aides have discussed and thought about the application of electronics to your particular company so that a fairly clear idea has emerged concerning areas of the business that are "ripe" for electronics.

The next step is to appoint a "good" man from each of these areas to serve on a Senior Advisory Group. What I mean by "good" man is 1) a person one or two notches below the vice presidential level; 2) a man with intelligence and vision; 3) a man with a good general knowledge of his area and other related areas.

Two further points and we will have formed our advisory group: 1) The group should contain between four and ten members, if possible. Fewer than four is too small to give adequate coverage of the business or enough diversity of opinion, and more than ten is apt to be unwieldy. 2) The chairman or coordinator of the group should be the head of the Systems or Planning Department.

STEVENS L. SHEA joined the Massachusetts Mutual Life Insurance Company in 1931 and has remained with that organization ever since, excepting for time out during World War II when he became a commissioned 2nd Lieutenant in the U. S. Army Quartermaster Corps in 1942, went overseas in 1945. He was discharged a Major in 1947 and returned to Massachusetts Mutual as Planning Engineer assigned to the Group Department. In 1952 he was appointed Assistant Secretary of Planning Department, to assist in planning and methods work throughout the Home Office. He was appointed Planning Secretary in 1954.

Now that the advisory group has been formed, what should we have them do? I feel strongly that the duties and responsibilities of this group should not only be determined very early in the game but should also be published and distributed.

I would suggest the following as a logical set of duties and responsibilities for an advisory group: 1) To hold regularly scheduled meetings (this will be discussed in more detail shortly); 2) To keep abreast of developments in electronics in a general way by attending so-called executive courses offered by manufacturers, by attending electronics seminars, particularly those dealing with your industry, and by visitations to electronic installations of others in your or allied industries to learn of any applications of such equipment. (By the way, perhaps it would be well at this point to make clear that the Senior Advisory Group must be more than just a device set up for appearance's sake or a group which will wander aimlessly around the country; this group will be useless if it does not do real constructive work.) 3) To advise members of the working group with respect to company operations with which each advisory group member is directly associated. 4) To aid in formulating recommendations (either unanimous or majority) addressed to top management. 5) to promote good relations in the company regarding electronic data processing and its effect on the individual.

I HAVE mentioned the holding of meetings of this group at regular intervals. These meetings might well deal with discussions of the following questions: 1) What can these machines do for us? 2) How may the information obtained from the survey group best be used? 3) What functions studied by the survey group may be logically combined to make a system? (Such combinations often eliminate files and that is where many of the greatest savings can be realized.) 4) In what order should we attempt to convert existing jobs to electronics (should such be feasible)? 5) How should communication of information be handled within the company and between Home Office and field?

These questions and many others should be discussed at length, and opinions, decisions, recommendations, and developments should be recorded and distributed to members in the form of minutes for every meeting.

DEPARTMENTAL PROCEDURE OUTLINE

NAME _____ DEPARTMENT AND SECTION Valuation

TASK Dividend Status for Agency Transfers DATE 8-2-1956

LENGTH OF EXPERIENCE ON THIS JOB _____ MONTHS

IN THE SPACE BELOW GIVE A RECORD OF WHAT YOU RECEIVE TO START THIS TASK. FOR EXAMPLE, LOAN PAPER AND APPLICATION, REQUISITION, REPORT, CLAIM PAPERS AND APPLICATION OR NEW APPLICATION. ALSO INDICATE FROM WHERE YOU RECEIVE IT, METHOD BY WHICH IT IS RECEIVED, WHERE YOU PERFORM THE TASK AND THE NEXT JOB OR DEPARTMENT TO WHICH YOU SEND THE COMPLETED WORK.

MATERIAL RECEIVED R-823, Agency Record Card FROM Premium Accounting Dept.

☐ PICKED UP PERSONALLY FREQUENCY Every other day

☒ DELIVERED TO DESK GROUPS OF 20

TASK IS PERFORMED FINISHED WORK ROUTED TO Premium Accounting Dept.

☒ AT DESK ☐ OTHER LOCATION _____ ☐ BY MESSENGER ☒ BY TUBE STATION

☒ AT FILE ☐ MACHINE USED _____ ☐ PERSONALLY FREQUENCY Every other day

APPROXIMATE TIME TO PROCESS ONE UNIT _____

WRITE BELOW IN CHRONOLOGICAL ORDER A BRIEF DESCRIPTION OF THE STEPS INVOLVED IN PERFORMING THIS TASK. IN ANY STEP WHERE A FORM IS USED, INCLUDE THE NAME AND NUMBER OF THE FORM. (ENUMERATE THE STEPS IN OUTLINE FORM: STEP 1, 2, 3 ETC.)

1. Receive approxamately 20 R-823's , Agency Record Cards, from Premium Accounting Dept. every other day.
2. Separate these cards into 2 groups, DA and Paid Up Additions.

DA CASES

3. Pull by Pol. No. corresponding H-174, DA History Card.
4. Check dividend option shown on front of R-823 for correctness.
5. Record on reverse side of R-823 the current year, and total amount of DA in space provided.
6. Make out DA statement if requested.
7. Clip DA statement to R-823.
8. Separate DA History cards and R-823's.
9. Return DA History cards, H-174, to file.
10. Hold R-823's until those from Paid Up Additions option are ready.

PAID UP ADDITIONS

11. Pullby Pol. No. corresponding H-237's, Paid Up Additions record card.
12. Check dividend option shown om front of card for correctness.
13. Record on reverse side of R-823 the total amount of Paid Up Additions in space provided.
14. Make out statement of Paid Up Additions if requested.
15. Clip statement to R-823.
16. Separate paid up additions cards,H-237 and R-823's.
17. Return H-237's to file.
18. Send R-823's from DA option and Paid Up Additions option back to Premium Accounting Dept.

J22 955 *(USE REVERSE SIDE IF MORE SPACE IS NEEDED)*

IV. *Establishment of a Working or Survey Group:* Now that you have your advisory group established and working smoothly and constructively, why can't you proceed to several determinations and the installation of your new electronic system? The reason should be obvious: you can't get detailed information and planning by way of the committee action of an advisory group. For this, you require a working or survey group who will dig out the detailed data upon which sensible recommendations can be based. This group, at a level of great detail, 1) will study routines presently mechanized and other areas that might be adaptable to electronic data processing, and 2) will attempt to combine functions in these various areas (wherever possible) into a logical system.

How many people should you have in your working group?

The answer depends on the size of your company, how fast you want to progress, and how many people you can get. Two points might be remembered, however. There is a lot of work to be done before you are through, and you might just as well start getting the staff you require early. But don't start with so many that they fall all over each other.

And another important point: where are you going to get the people needed to do all of this detail work?

If at all possible, get them from within your own organization — people who already know something (perhaps a great deal) about your business, and the electronics experts you want can learn electronics a lot quicker than they can learn your business and how you run it. More specifically, get your survey group people from those areas apt to be affected by an electronics system and from your Planning or Systems Department.

What kind of people should they be? What attributes should they have?

First, they should be competent. The new system can be no better that its authors. However, scientists, engineers and mathematicians are not indispensable, or, perhaps we can even say, neces-

POTENTIALITY STUDY

MAY 1955

PREMIUM ACCOUNTING

	Total Present Labor Cost (Annual)	Present Cost of Performing a Portion of the Work Which Might Be . . .							
		Eliminated by an Electronic System		Accomplished by an Electronic System		Accomplished by an Electronic System Manually		Not Accomplished by an Electronic System	
A. Premium Billing									
1. Regular Notice Sets	$28,048	100%	$28,048	0%	$ 0	0%	$ 0	0%	$ 0
2. Invoices	1,109	0	0	0	0	100	1,109	0	0
3. Correspondence	6,538	20	1,308	0	0	80	5,230	0	0
B. Government Allotments	7,311	0	0	0	0	0	0	100	7,311
C. Record Cards & Status									
1. Master & Control Card Files	18,111	100	18,111	0	0	0	0	0	0
2. Status	7,066	100	7,066	0	0	0	0	0	0
3. Overdue Papers	7,566	0	0	40	3,026	60	4,540	0	0
4. Correspondence	1,006	20	201	0	0	80	805	0	0
D. New Issues & Misc. Changes									
1. Manual Changes	5,315	0	0	100	5,315	0	0	0	0
2. New Issues	13,708	0	0	75	10,281	25	3,427	0	0
3. Premium Changes	16,883	0	0	25	4,221	75	12,662	0	0
4. Agency Transfers	4,947	0	0	25	1,237	75	3,710	0	0
5. Correspondence	782	20	156	0	0	80	626	0	0
E. Collections & Summaries									
1. Audit Files	19,698	15	2,955	0	0	85	16,743	0	0
2. Balancing Reports	22,723	0	0	40	9,089	60	13,634	0	0
3. Expense Reports	3,156	0	0	0	0	0	0	100	3,156
4. Salary Reports	3,093	0	0	0	0	0	0	100	3,093
5. Delivery Cards	3,859	50	1,930	50	1,929	0	0	0	0
6. Correspondence	3,629	20	726	0	0	80	2,903	0	0
F. Premium Loans									
1. Premium Loan Settlements	13,133	0	0	50	6,566	50	6,567	0	0
2. Premium Loan Payments	8,784	0	0	0	0	100	8,784	0	0
3. Interest Figuring	4,698	0	0	100	4,698	0	0	0	0
4. Loan Dividends	3,196	0	0	100	3,196	0	0	0	0
5. Balancing Loan Account	3,004	0	0	100	3,004	0	0	0	0
6. Reports	2,425	100	2,425	0	0	0	0	0	0
7. Correspondence	3,989	20	798	0	0	80	3,191	0	0
8. Status	1,407	100	1,407	0	0	0	0	0	0
9. Ledger Card File	1,481	100	1,481	0	0	0	0	0	0
G. Special Settlements									
1. D. A. Settlements	11,928	0	0	50	5,964	50	5,964	0	0
2. Disability Waivers	4,057	0	0	0	0	0	0	100	4,057
3. Discounted Premiums	5,065	0	0	0	0	0	0	100	5,065
4. Correspondence	4,260	20	852	0	0	80	3,408	0	0
H. Policy Changes									
1. Regular Policy Changes	28,580	80	22,864	0	0	20	5,716	0	0
2. Commission Quotations	2,477	0	0	0	0	100	2,477	0	0
3. Paid Up in Full	882	0	0	0	0	100	882	0	0
4. Feature Attached or Ceased	3,752	0	0	0	0	100	3,752	0	0
5. Correspondence	628	20	126	0	0	80	502	0	0
I. Miscellaneous Mail, Missing Appa, Time Cards, Tube Station	4,902	0	0	0	0	0	0	100	4,902
Total Annual Labor Cost	$283,216		90,474		58,526		106,632		27,584
			31.9%		20.7%		37.7%		9.7%

sary. And Ivory Tower geniuses need not apply; the people you will want must have the ability to get along with other people; they should be pleasant, cooperative, and friendly.

They should have a high degree of analytical ability — the ability to get information, analyze it, and reach sound conclusions based on it. Your procedures and systems people are apt to be very good here.

They should be intelligent. Theirs will be the task of learning a new and complex art and of relating that art to complex and detailed business procedures in a way never before possible.

Further, your people should have vision, an interest in your business, and an interest in and capacity for hard work.

Perhaps I should have mentioned this to begin with, but we have found that both males and females will serve, and that practically all age groups will qualify; youth is certainly not a requisite.

The methods for educating these people are probably obvious to almost all of you. This educational process can develop in three ways: 1) by attending courses dealing with conventional punched card equipment and electronic data processing equipment, preferably in that order, 2) by attending electronics seminars and visiting other companies' installations, 3) by reading (perhaps studying is the word) publications, manuals, and other companies' applications.

Again, as with the advisory group, your survey group is now formed and educated; just what will be their duties and responsibilities?

First, if you are to progress this program, they should have no duties that do not pertain directly to the study or allied fields, and whatever sidetracking occurs should be held to a minimum.

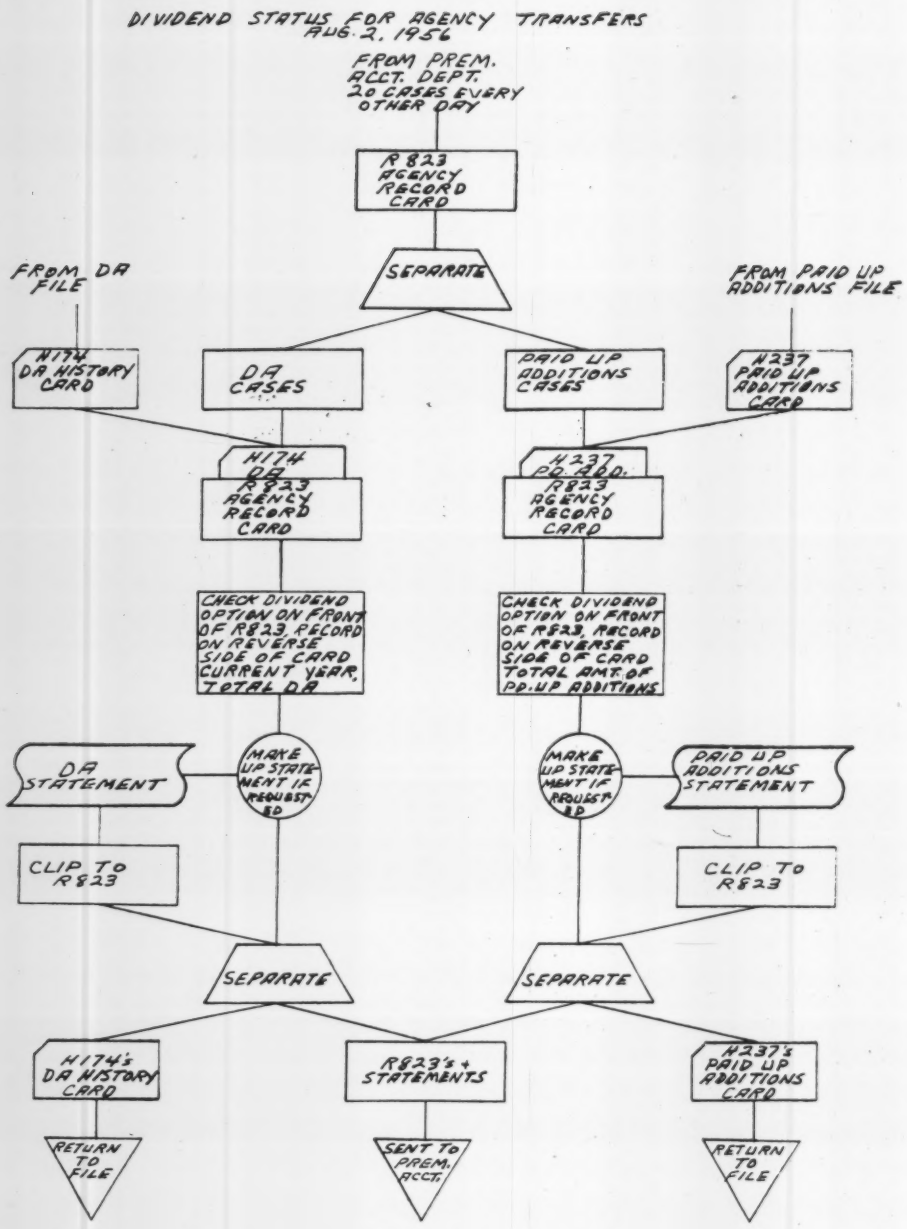
Secondly, your people should become generally conversant with electronic data processing equipment. It is important, however, that they spend more time and effort on your business system than on the hardware of any machine you might be interested in. Generally speaking, you should start with the best system you can devise and make the machine fit it, not vice versa.

Your people will assemble factual data, make procedural analyses, and cost out areas considered to be potentially adaptable to electronic data processing. They will combine functions in various areas (insofar as possible) into a logical new system. This design of the best possible information and communication system to meet the needs of your company is worthwhile no matter how you will accomplish the work, whether by electronic data processing or by hand; and the thinking should be of the system, not of minute details of one or a few functions.

THIS survey group will submit periodic reports, and will assist in formulating recommendations to top management. In addition, your people should at all times attempt to promote good relations in your company regarding electronic data processing and its effect on the individual. I did not dwell on this responsibility in any detail when it was mentioned in connection with the advisory group, but it is one worth keeping in mind. Electronics is somewhat ticklish; the subject is controversial, somewhat fear-producing, and people must be assured that the wake of an installation is not wholesale dismissal or upheaval.

V. *The Intelligent Use of the Talents of these Groups:* Now that I have spoken in rather general terms about establishing advisory and survey groups and what these groups are to do to further your electronics system, perhaps a few words would be in order concerning the techniques we have used in gathering and recording information about present procedures that may be changed by the advent of electronics.

The techniques we have used at the Massachusetts Mutual tie in closely with the form called "Departmental Procedure Outline", a sample of which you have before you. These forms have been designed in such a way that information about a job can be recorded either by an analyst, who will get the information by interviewing the clerk doing the work, or by the clerk himself, assuming he has been properly instructed. (In fact, if the job is done by more than one person, it is sometimes valuable to have each clerk record his version of


DIVIDEND STATUS FOR AGENCY TRANSFERS
AUG. 2, 1956
FROM PREM. ACCT. DEPT. 20 CASES EVERY OTHER DAY
R823 AGENCY RECORD CARD
SEPARATE
FROM DA FILE
FROM PAID UP ADDITIONS FILE
H174 DA HISTORY CARD
DA CASES
PAID UP ADDITIONS CASES
H237 PAID UP ADDITIONS CARD
H174 DA R823 AGENCY RECORD CARD
H237 PD. ADD. R823 AGENCY RECORD CARD
CHECK DIVIDEND OPTION ON FRONT OF R823 RECORD ON REVERSE SIDE OF CARD CURRENT YEAR, TOTAL DA
CHECK DIVIDEND OPTION ON FRONT OF R823 RECORD ON REVERSE SIDE OF CARD TOTAL AMT. OF PD. UP ADDITIONS
DA STATEMENT
MAKE UP STATEMENT IF REQUESTED
MAKE UP STATEMENT IF REQUESTED
PAID UP ADDITIONS STATEMENT
CLIP TO R823
CLIP TO R823
SEPARATE
SEPARATE
H174's DA HISTORY CARD
R823's + STATEMENTS
H237's PAID UP ADDITIONS CARD
RETURN TO FILE
SENT TO PREM. ACCT.
RETURN TO FILE

the job and to determine from these the best approach; standardization of present procedures can be implemented by this technique.)

The particular routine in the sample form which you see has to do with the acquisition of dividend information for a policy whose service is to be transferred from one agency office to another, presumably because the insured has moved into territory of another agency.

The form indicates that the piece of work, called an agency record card, is delivered from the Premium Accounting Department to the clerk's desk in the Valuation Department every other working day in groups of about 20 cards. The clerk goes through the operations listed to obtain required dividend information, then sends the cards back to Premium Accounting. (After further processing, the information is sent to the new agency so that it can intelligently service the policy.)

When the analyst has secured this type of information concerning a job, he records the job in the form of a block diagram or flow chart, a copy of which you now see. There are several reasons for this: 1) The diagram is an excellent check of the information on the Departmental Procedure Outline. It will usually show up inconsistencies, dead-ends (that is, incomplete processing of branch routines), or the possibility of exceptions not covered in the outline; 2) The diagram is a picture of the job which can be quickly read and understood by an analyst. When the time comes to combine routines into a system, this combination can proceed faster and easier through the use of these block diagram; 3) When the block diagram is completed, it is submitted to the Manager or Supervisor in charge of the job for his perusal and approval. The degree of completeness of the information is more apparent in diagram form so the Manager's job of determining the completeness and accuracy of the information is made easier.

As a part of the fact-finding, each task should be costed. In our case, we chose to include only clerical and tabulating equipment costs. Had we included many other types of costs (such as rent, heat, light, furniture, other equipment, and fringe benefits), we could have greatly improved the picture in favor of an electronic system. But, as some of these indirect costs may not all be realized as savings, we felt that a little New England conservatism would be in order.

Having determined what is done on each task studied and how much each task costs us per year, your next job will be to estimate how each task might be affected by an electronic data processing system.

As we discussed each department, we found that a task would fall into one or more of four categories, as follows: 1) Work which probably would be completely *eliminated* by the installation of an electronic system. (For the most part, work placed in this category consists of present maintenance of individual files in up-to-date condition as changes occur. The existence of a master file on magnetic tape would eliminate, for example, the housing and maintenance of master and control card files indicated under item C-1 in the resumé for our Premium Accounting Department.) 2) Work which would be *accomplished* under an electronic system *by the machine* itself. (This category would include such work as the calculation of interest on premium loans indicated under F-3.) 3) Work *accomplished manually* as a part of the electronic system. (This category would include such things as the manual preparation of input (new issues, changes, etc.) in language understandable by the machine and the using or further manual processing of the output of the Machine. D-3 and H-4 are examples in the resumé for premium changes and features attached or ceased.) 4) Work presently done which would *not* be *accomplished* by the electronic system but would be handled much as it is today. (Under this category would be included work which requires much more mental determination than processing, such as E-4 —

salary report work, and jobs which because of their nature, small size, or variability could not feasibly be included in the system — such as B-billing and collecting government allotments, and administrative and secretarial work).

Having allocated costs into these categories for every task in those departments to be considered, we are now in a position to see just where we stand. In our case, we decided to relate all costs of an electronic system (on an annual basis) to the total of the first and second categories (work eliminated and work accomplished by the machine). Again, we felt this approach was ultra-conservative; so when the comparison indicated that the electronic system had lower estimated costs than the present punch card and manual systems, we felt that the acquisition of a large-scale system was justified.

PERHAPS it is evident that there is a tremendous amount of work to be done in getting ready to determine if electronics is for you, which system it should be, what information need be obtained, and how it should be obtained and worked on. And this is only a start. Then comes the detailed "dog work" to set up a complex system and to install the electronic equipment so that it will do what we want when we want it.

Is it worth it? The answer to that depends on many things, but I say you can hardly lose.

First, such a study will afford you a new look at what you have been doing for years, and it is quite possible that the cost of the study will be more than offset by the savings obtained by streamlining and housecleaning your existing routines, even if you don't decide you can justify a large electronic system.

Secondly, if you find that you are in the area of a large scale system, you will very possibly save money through combination of files and elimination of duplication of effort alone. You will be able to offer your customers faster, better, and more accurate service, and through such techniques as Operations Research, you will be able to run your business with less reliance on guesswork and more reliance on complete and up-to-date facts. ■

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Incentive Pay For Line Supervisors

by Herbert A. Parsons

Manager of Methods & Standards
South Wind Division
Stewart-Warner Corporation
Indianapolis, Indiana

THERE has long been a need in Industry for a means of creating a desire on the part of Management Representatives closest to the production worker (in most organization structures this would be the line foreman) to maintain an operating efficiency of 100% or better, to utilize to the highest possible degree the labor hours of those direct labor operators under his supervision on productive labor. Obviously, in order to accomplish the above and maintain a high degree of accuracy and the proper controls, it is imperative that a good work measurement program be supported.

In addition to the aforementioned high operator efficiency and best possible utilization and allocation of direct labor operator hours it is also important that the ratio of rated productive labor to non-rated productive labor be kept as high as possible.

Example #1:

Let us take a day in the manufacturing of aircraft thin wall heat exchangers. A recap of the operators time tickets for one day (See Chart #1) revealed the following:

This particular foreman had 132.5 direct labor operator hours to spend. Theoretically, at least, these hours should have been spent on productive operations; they should have been 100% rated and the operators should have earned 100% on all operations. However, from a realistic standpoint, here is what actually did happen to the 132.5 hours available to this particular foreman:— He actually spent 101.3 on productive labor which is 76.4% utilization of available productive hours charged to productivity (See Figure #1). Of the 101.3 hours spent on production, 59.3 were on a measured basis.

Therefore, of the 59.3 actual hours spent on production, the direct labor operators actually earned 61.1 hours, which is operating at 103% efficiency. Since there were 101.3 hours actually spent on productivity, 59.3 were rated (measured hours), which is 58.5% of rated coverage. This points to the fact that we must have a predetermined measure of accomplishment.

A glance at Chart #1 will show that for this particular type of operation the writer has determined that a fair criterion of accomplishment would be (as indicated by the solid line A), 90% efficiency. Line B shown 80% utilization of available direct labor hours. Solid line C shows 70% Ratio of Rated direct labor hours to non-rated direct labor hours. On this same Chart #1 we plot the hypothetical figures from the daily recap of the aforementioned time tickets. Line D 103% efficiency, line E 76.4% utilization and line F 58.5% Ratio of Rated hours to unrated hours.

Example #2:

Let us assume that this same group on the next day earned 120% efficiency. All other things remaining the same we are assuming that the 120% efficiency is a legitimate one, that it was attained by improved quality of piece parts, better planning and scheduling, increased operator effort and the many other things that contribute to more efficient operation. This being the case the group actually spent on rated work the same number of hours—59.3. However, they earned 71.3 hours or 120%. Since the actual productive hours remain at 101.3 and the available hours remain at 132.6, line E will still show 76.4% utilization; also 59.3 productive rated hours divided by 101.3 actual productive hours will give the same coverage of 58.5%.

HERBERT A. PARSONS was Manager of Time Study for the Durham Manufacturing Company in Muncie, Indiana from 1933-35 when he went to Remington Rand's Benton Harbor, Michigan plant as Supervisor of Personnel and Time Study, where he remained until 1941. In that year he moved to Bendix Aviation Corporation in South Bend, as Chief M.T.M. Engineer and Special Industrial Engineering Assignments in the Aircraft Division, and remained there until 1955 when he went to his present position with the Stewart-Warner Corporation.

Example #3:

Again we assume 120% operator efficiency but in this case it was done by transferring 8.2 productive rated hours to expense hours. This reduces the productive rated hours to 51.1 with an earned of 61.1 hours, which equals 120% operator efficiency—Line D. This would reduce our total actual productive hours by 8.2 or to 93.1 hours. Since the total available hours remain constant at 132.5, the labor utilization Line E equals 70.4% or a decrease of 6%. On Line F the productive rated hours, having been reduced to 51.1, and the total actual productive hours reduced to 93.1, we show a rate coverage ratio of 54.5 or a decrease of 4%.

Example #4:

In this case the operator efficiency of 120% was made by taking the 8.2 hours from the 59.3 actual rated productive hours, leaving 51.1, the earned hours remaining the same at 61.1, which accounts for the 120% operator efficiency as shown on Line D. The 8.2 hours taken from productive rated hours were added to the productive unrated hours. Therefore, the total productive labor hours remain at 101.3 and, since the 132.5 total available hours are constant, the utilization hour line E will show 76.4%. However, with the 8.2 productive rated hours being added to unrated productive hours, leaving the total productive labor hours constant at 101.3, showing the Ratio of Rated coverage at 50.6% on Line F.

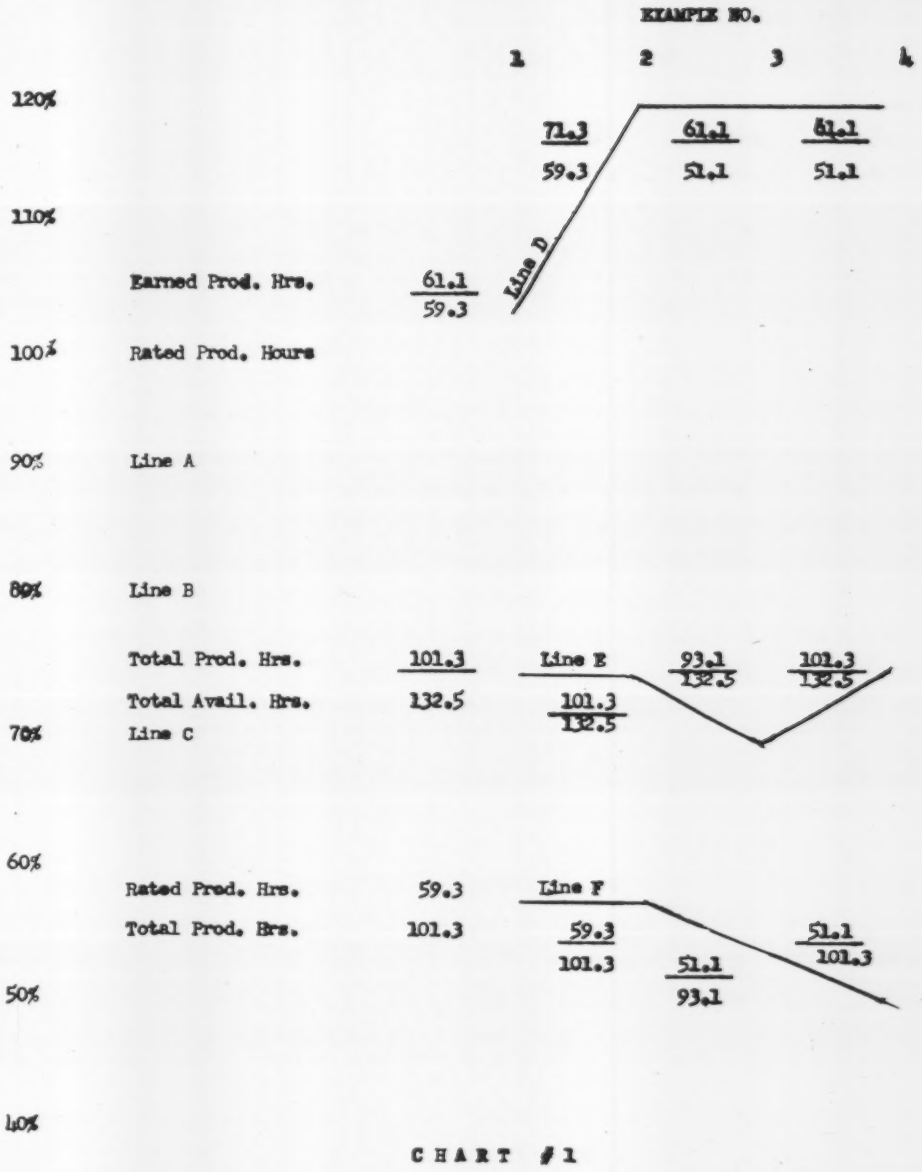


CHART #1

THE foregoing examples serve as ample proof of the necessity of a point system to be used to determine the amount of bonus that the supervisor foreman of a given group would receive for a performance level in and above that which was predetermined for a fair and equitable attainment, for which 100% salary would be considered fair. Chart #2 shows the amount of bonus a foreman would receive in six different cases, using the predetermined criterion of performance at 90%, 80% and 70% (shown as a target in this chart) and using the predetermined point values of .3 – .5 and .7 of 1%.

In order to illustrate the working of a point system the writer has made a thorough survey of a given area in the Aircraft Section. As previously stated, 90% operator efficiency is good for a measured day work operation. Therefore, the foreman who is able to maintain over 90% for a given period (preferably one week or pay period), would receive .3 of 1% for each one per cent over 90% Line A, Chart #1.

As previously stated, 80% utilization of direct labor operators hours to productive labor was considered good, .5 of 1% is allowed for each one per cent over 80 – Line B, Chart #1.

For the ratio of rated to unrated productive labor the writer has determined that, due to the frequency of design changes and consequently tooling changes, as well as other factors peculiar to aircraft work, 70% coverage would be fair. However, to encourage the correction of tools, methods and processes, we allow .7 of one per cent for each one per cent over 70%, Line C, Chart #1. Assuming that a given department or group operated at 100% operator efficiency, 85% utilization and 80% rate coverage, the foreman of that particular area would have earned 112.8% or 12.8% over his base pay. This system of incentive pay actually begins where other systems (intended to accomplish the same thing) leave off. The basic advantage of this system is that it is a system of checks and balances.

Where other systems pay off on the basis of efficiency only, there is no check or means of penalty for a high fictitious operator efficiency by loading extra hours to indirect or expense account labor. Where the utilization factor is used as well as the ratio of rated to unrated a penalty is actually set up. This can be readily proved by applying the point system to the examples used in the beginning of this article. This penalty works because points may be either plus or minus. Therefore, a high efficiency that was attained by unfair means, such as juggling of time to show

Recap Of Operators Individual Time Tickets For Group No. A

4-19-56

Code	Date	Clock	Rated	Non-Rated	Total	Allowances Earned Hours	Allowances NSC	Allowances EO	Total Earned Hrs.	Efficiency	Set up Acct. 2080	Trucking Acct. 2090
061	4-19-56	12		8 0	8 0					.....		
	"	17	8 0		8 0	9 4			9 4	11.7		
	"	18		5	5					.....	6 5	
	"	30		7 5	7 5						5	
	"	31	7 0	1 0	8 0	7 9	4		8 3	11 8		
	"	34		3 0	3 0					.....		
	"	47	2 5	5 5	8 0	1 2			1 2	4 8		
	"	69	3 5	1 0	4 5	3 8			3 8	10 8		
	"	74			.....							8 0
	"	71	1 0	7 0	8 0	1 3			1 3	13 0		
	"	86	7 8		7 8	7 3	6		7 9	10 1		2
	"	110		4 5	4 5							
	"	119 & 92	16 0		16 0	15 3			15 3	9 6		
	"	118	4 0	4 0	8 0	3 5			3 5	8 7		
	"	122	1 5		1 5	1 7			1 7	11 3		
	"	633	8 0		8 0	8 7			8 7	10 9		
			59 3	42 0	101 3	60 1	1.0		61 1	103 0	7 0	8 2

Maint. Acct. 2110	Repair Acct. 2131	Lost Time Acct. 2170	Training Acct. 2180	Accounts Misc. 2300	Accounts S.O. 1500	Total Indirect Hours	Production Hours Available	Production Hours Actual	% Ratio	Production Labor Rated	Production Labor Non-	% Rated to Avail. Hours	% Non-rated to Avail. Hours	% Indirect Hours to Available Hours
							8 0	8 0	0		8 0		10 0	
							8 0	8 0	100	8 0		10 0		
				1 0		7 5	8 0	5	6		5		6	94
						5	8 0	7 5	94		7 5		94	6
							8 0	8 0	100	7 0	1 0	8 8	12	....
			5 0			5 0	8 0	3 0	38		3 0		38	62
							8 0	8 0	100	2 5	5 5	10 0	....	....
			3 5			3 5	8 0	4 5	56	3 5	1 0	4 4	12	44
						8 0	8 0	0	0	.....	.....	.....	....	100
							8 0	8 0	100	1 0	7 0	1 3	87	
						2	8 0	7 8	98	7 8	.....	9 8		2
							4 5	4 5	100	.....	4 5	.....	100	....
							16.0	16 0	100	16 0		100	....	....
							8 0	8 0	100	4 0	4 0	50	50	
			6 5			6 5	8 0	1 5	18	1 5		18		72
							8 0	8 0	100	8 0		100		....
			15 0	1 0		31 2	132 5	101 3	764	59 3	42 0	44 8	31.7	23.5

ACTUAL 58.5 41.5

Chart #1

extra hours in expense or on unrated productive labor, the extra hours would be evaluated at a higher point value on both the utilization Line E and the coverage line F. Should this be below the 80% or 70% lines, they would be minus points and would be subtracted from the plus points earned from Line D high efficiency. Since the prime responsibility of all production supervision is — *The on time production of a specified quality product at least cost, safely and with good industrial relations*, the writer feels that, if the man load and machine load are reasonably accurate, with a good operator efficiency and proper utilization of direct operator's time, the on time production of a specified quality product at least will be the natural result. Also, if the utilization of direct labor operators time is held to a high level, then we have automatically controlled the quality of the product; otherwise, time for repair and rework would pull down the utilization line D as well as the ratio of rated to unrated line F, thus serving to penalize the supervisor on his final measure of accomplishment. It is also apparent that, when line F, the ratio of rated to unrated work is kept up to or above the expected level with good efficiency line D, the

(*Continued on page 31*)

Efficiency Target	Efficiency Actual	Point Value .3 of 1%	Points and or	Utilization Target	Utilization 80% Actual	Point Value .5	Points and or	Ratio of Coverage %	Ratio of Coverage Actual	Point Value .7	Points and or	Foreman's Actual Standing Based at 100%	Credit to Line Foreman
90%	105%	.3	+4.5	80%	85%	.5	+2.5	70	70	.7	.....	+ 7.0	107.0%
90	110	.3	+6.0	80	80	.5	.....	70	65	.7	— 3.5	+ 2.5	102.5%
90	120	.3	+9.0	80	80	.5	.....	70	60	.7	— 7.0	+ 2.0	102.0%
90	115	.3	+7.5	80	85	.5	+2.5	70	80	.7	+ 7.0	+17.0	117.0%
90	120	.3	+9.0	80	70	.5	—4.9	70	80	.7	+ 7.0	+11.1	111.1%
90	105	.3	+4.5	80	85	.5	+2.5	70	85	.7	+10.5	+17.5	117.5%

Chart #2

The More "Personal" Responsibilities Of The Top Executive

by George W. Peak

Director of Organization Planning
Public Service Company of Indiana, Inc.
Plainfield, Indiana

IN ADDITION to his responsibilities for policy-making, organizing, and providing top management for the prime functions of the business, the top executive has certain "personal" responsibilities in connection with his business life. These more "personal" matters, generally speaking, have received less attention in the literature of management than have the responsibilities first mentioned. To help fill this gap in some measure is the purpose of the discussion that follows. It deals with four of these more "personal" responsibilities. They are responsibilities for example-setting, for self-development, for time utilization, and for being mortal.

Responsibilities for Example-Setting

The top executive of any substantial enterprise is under close observation by his immediate subordinates, by employees all down the line, by his board of directors, and by the general public. He can have hardly any "private" life. He has a responsibility for recognizing this fact and for governing his actions accordingly.

This responsibility extends beyond the purely negative state of staying out of trouble. It reaches into the positive state of conducting himself in such a manner as will reflect credit upon the business and upon his high position in the minds of those who may be the observers.

He must realize, too, that many others will try to pattern parts of their own behavior after parts of his. They will emulate what he does, not what he says should be done (if that be at odds with what he does). So, as far as he is concerned, sincerity—not hypocrisy—must be the order of the day.

A competent top executive learns not to play favorites. He treats all his subordinates with equal friendliness. He avoids being stilted in any of his relationships with others. At the same time, by all his actions he gains and holds respect for the position of authority he occupies. He does this not by flaunting his authority, either conspicuously or inconspicuously, but by letting his sincerity in his relationships with the others speak for itself.

In spite of all that can be done by way of friendliness, sincerity, and other qualities, however, all top executives realize that a certain kind of loneliness goes with the occupancy of the top position. The immediate subordinates of the man at the top have something in common that he cannot share with them. It is that they are all responsible to him. This very fact will condition their relationships with him to make it something different than their relationships with each other. No matter how much the top executive may yearn at times to share in this latter relationship, he cannot be brought into it. A realization of the existence of the situation makes it less difficult for him to adjust himself to it.

There is a close association between example-setting responsibilities and those for public relations, training, and employee relations generally. The glass house in which the top executive lives seems sometimes to leave him without any shelter whatsoever. But he can find some solace in the fact that his public relations, training, and employee relations tasks can be made easier by reason of the glass house being there.

Perhaps the one best example-setting guide that the top executive can follow in all his actions is to apply this rule: "Do unto others as you know a top executive ought to do unto you if you were one of the others."

Responsibilities for Self-Development

A top executive owes it to others, if not to himself, to grow in his job. The need for improving himself does not

GEORGE W. PEAK was for 13 years the Directing Associate, Principal Associate and Associate in the firm of Griffenhagen & Associates, Consultants in Management, until 1954 when he became Director of Organization Planning in the Public Service Company of Indiana, Inc. From 1934 to 1939 Mr. Peak had teaching assignments and did economic research. He received a B. S. in Commerce from the University of Kentucky in 1934, and an M.S. from the University of Denver in 1941. He is Vice President of the Society for Advancement of Management's Indianapolis Chapter.

stop just because he occupies the most important position in the establishment. In fact, the need may be said to be even greater than it was when he occupied a less important post.

He has a responsibility for setting goals or yardsticks against which to measure his accomplishment, and for subjecting himself periodically to self-appraisal to see how he has measured up. A top executive who knows his own weaknesses cannot be said to have won half the battle, but he has gone a long way toward prevention of its loss.

What are some of the things a top executive can do to improve his work performance?

He can learn to "take criticism" from above and from below, and to benefit from it. He will likely not get much criticism gratuitously from either source, but if he honestly seeks it, he can get a certain amount of it. If he seeks it when he does not actually want it, he will not get it more than once.

He can learn to listen and to learn by listening. As a matter of fact, a person cannot be an effective top executive unless he does listen and unless he does learn by listening.

He can also improve his work performance by study, by reading, and by associating with management personnel of other companies.

Since many of his responsibilities lie in the field of human relations, he cannot be completely oblivious to cultural and other social pursuits. He does not have to carry them into the ground, but he must expose himself reasonably to them.

The top executive cannot logically ask others to engage in programs of management development if he is not willing to take steps toward his own development.

Responsibilities for Time Utilization

"Time waits for no man." "Time is fleeting." "Time is precious." "Time is money." "Time is running out." No one appreciates these premonishments more than does the chief executive.

Consider the responsibilities with which he is faced in the utilization of time.

He must spend time on things that are most in need of attention. The highest priority matters have to come first. He cannot afford the luxury of working on the things he likes to do best.

He must keep the number of conferences with subordinates at the minimum required for management of the highest effectiveness. And he must keep the conferences that are held from dragging along interminably.

He must keep unnecessary visitors out of his office without hurting their feelings or making enemies of them. He must spend only the time that is absolutely necessary with the necessary visitors, again without hurting their feelings or alienating them.

He must pass all the correspondence he can along to others to take care of for him. He must train his secretary and others of his secretariat in ways of being the utmost help in conserving his time, without blocking him from others and without alienation of others.

He must find time to get away from his office enough to see something of what goes on in other parts of the enterprise.

Putting a somewhat different slant on the subject, how many times has a top executive asked offhand for information in the supplying of which more time and effort were spent than he ever dreamed would be the case? In a goodly number of these cases, he would never have asked for the information had he realized what would be involved in obtaining it; or he would have found a way to do with less information, or to be satisfied with having it in somewhat different form. In asking for information, therefore, the top executive has a responsibility of inquiring about the time and effort that will likely be involved in furnishing it; and then of balancing the cost of the effort against the value of the information.

In short, the top executive is responsible not only for the effective use of his own time, but also for conducting his affairs so as not to make undue demands on the time of others.

Responsibilities for Being Mortal

Being mortal is being human. The importance to the top executive of being "human" in all his relationships with others has been stressed at a number of points in the preceding discussion.

Another of the "mortal responsibilities" of the top executive is to keep in good health. He does not need to develop his body as much as he needs to develop his mind. But he must recognize that there are limits to endurance and to abuse of the body, and that the penalties for exceeding these limits are sure, if not always swift.

Another mortal responsibility of the top executive is to recognize that he may die at any minute. His business affairs should be kept orderly, so that there will be a minimum of disruption if he does die in office. Even more important, he should have someone of his subordinates trained well enough to step into his shoes, at least temporarily, if not on a regular basis, in the event of his death.

Still another mortal responsibility of the top executive is to step aside (retire) at a reasonable retirement age, and not to hang on grimly to his post until the grim reaper cometh. No one person is indispensable. The top executive is just kidding himself who thinks he is.

The most difficult mortal responsibility of all for the top executive to fulfill is to recognize when he is not doing a job, and to get out when he knows it to be for the good of the business that he should. Only a very few men have the moral courage to exercise this responsibility.

Conclusion

To end these reflections on some of the more depressing notes of the previous topic would do discredit to the challenging, exciting, and rewarding aspects of the top executive job.

The attractiveness of the top executive position has not yet been counterbalanced by the heavy load of the responsibilities to be carried. In fact, one of the anomalies of the top executive life is the deep satisfaction that can be obtained in the fulfillment of some of the most demanding of its responsibilities.

The strong competition for top executive posts bears testimony to their high desirability in the minds of large numbers of individuals.

The rewards are both psychological and physical. The exact proportion of each kind in the total satisfaction cannot be easily determined.

It would appear, however, that the psychological rewards greatly overbalance the physical, or money, rewards. If this were not the case, the inroads on executive compensation made by the present income tax structure would have lessened competition for top executive jobs more than has been the case.

Nevertheless, we would do well as a body politic to recognize the interplay of the physical and the psychological rewards. If the physical rewards drop below a certain point, it will be found that the psychological rewards will also have been adversely affected. The new total may be so low as to fail to compensate for the load of the responsibilities.

(*Continued on page* 31)

Psychiatry And The Everyday Work Of The Foreman

by Addison M. Duval, M.D.

Assistant Superintendent
St. Elizabeth Hospital
Washington, D. C.

FOR MANY YEARS psychiatrists — who are physicians with special knowledge and experience in understanding health and disease—treated mostly the seriously mentally ill whom the community called insane or crazy. Interestingly enough it was from these experiences that we learned much about the behavior of what you would call normal people. And also about how to prevent the development of serious mental disease by developing and following certain mental hygiene principles in much the same way as we have learned to control physical diseases such as smallpox or tuberculosis.

But who is normal and who is abnormal? Are the normal ones sane and the abnormal ones insane? By the word "normal," do we mean there are no problems of living, no worries, no anxiety, no mental depressions? If so, where are such normal people? Do you know such a person? No, such a definition will not stand up to the light of investigation and evaluation.

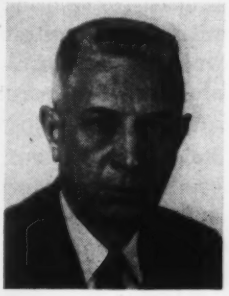
Certainly each one of us has problems. Some are mostly problems concerning our environment—sickness in the family, problems concerning finances, the behavior of the children or arguments with the wife, etc. The other problem is with ourselves and our inner adjustments. Someone has said you do not have to live with your mother-in-law but you do have to live with yourself. Of these two kinds of difficulties—the environment and the self—the self is more important as well as more complicated.

You may now ask, "What is the role of the psychiatrist in the problems of normal people? I thought he treated only crazy people."

On the other hand, are all people with personal problems to be considered insane? Obviously that concept will not stand up either! To the psychiatrist the best plan is to consider normal to mean average. Average as to intelligence, emotions, attitudes and behavior. But we must not forget that this average will vary from one culture to another. What is normal for us might not be at all normal in Zululand. Normality may thus include abnormality and vice versa. It is the extent or degree of each which really matters. There is thus no sharp line of demarcation between normal and abnormal just as there is no wide sea of difference between sanity and insanity, or health and disease. Each merges into the other like a gray area between black and white. It is with this gray area that you as managers are most concerned.

Here is an illustrative story: A young stenographer came to work in a large stenographic pool. She was sensitive and shy and this was her first job. Her duties were explained and she went to work enthusiastically. But the noise of many typewriters distracted her and she made errors, for which she was criticized. This hurt her pride and created anxiety. Her work suffered. Her supervisor seemed to be observing her constantly and when she looked at others they seemed to be looking at her. She thought she heard the supervisor mention her name to one of the other girls. She was now sure that she was not wanted and was a failure. She retreated into herself, became very suspicious and watchful and then one night at home she began to hear the voice of her supervisor saying she should commit suicide!

I have oversimplified the story, but ask yourself this: when did normality stop and abnormality begin? Any person who hears imaginary voices is, of course, mentally ill. But when did mental illness begin with this girl? When she became overanxious and tense? When



ADDISON M. DUVAL, M. D., completed his internship at Saint Elizabeth's Hospital in Washington, D. C., in 1930, then remained with that hospital on full-time staff, serving as Assistant Superintendent from 1953 to the present time. He is a Clinical Professor of Psychiatry at the George Washington University Medical School. Dr. Duval is the author of a number of publications on mental health. He attended the University of Richmond, and received his M.D. degree from the Medical College of Virginia.

she thought they were watching her? Or only when she became hallucinated? Think about this for yourself. I use the story just to emphasize the gray area between normality and abnormality — between mental health and mental illness.

Mental health is not the mere absence of mental disease. If a person is mentally healthy he is well integrated and well adjusted. He is reasonably stable emotionally. He lives in harmony with himself and his environment. He is of average or higher intelligence. He has good judgment and physical health is good. He has set his life goals within attainable reach—at least in part. He mixes work and play. He loves and is loved. And he has a satisfying personal philosophy of life—whether he calls it religion or not—which gives purpose and meaning. Thus, mental health has to do with everyday living, how we get along with ourselves and others, and whether our lives are satisfying and happy.

You should keep in mind that the person who becomes mentally ill is using an attempt at adaptation which is quite similar to that of the normal person. The difference is in the quantity, not the quality of the mechanism. We have all experienced doubt, indecision, suspicion, hostility and emotional depression. It is only when these reach the degree that they begin to interfere in our daily adjustment that we call them symptoms of mental illness. In some of us the point of symptom formation will be reached much more quickly than in others. Some are more resilient and can handle more stress than others before the breaking point is reached. We use the words stability and instability to describe this condition. On the severity of symptoms will depend the kind of help the individual should have. Sometimes this is simple emotional support through reassurance; sometimes it is professional counseling, and in severe cases it is therapy by the psychiatrist. From this discussion you can understand why mental illness is sometimes quite correctly called "a way of life" even though this way of life is not usually a socially acceptable one.

Our way of life, whether in health or illness, is dependent on hereditary factors, on early childhood influences, on optimal growth advantages, on development of emotional maturity and on environmental difficulties. But the motivations affecting human adjustment stem from deep-seated needs which do not vary much from one person to another.

What are some of these basic needs for which we often struggle for a lifetime?

The first of these is love. The need to love and to be loved seem almost as instinctive as does the sucking reflex of the newborn baby. The love of the parent for the child is so strong that life itself can be willingly sacrificed if necessary to save the child. The love of the boy and girl which matures to that of husband and wife and includes the mating of the two can be the strongest force in the life of each. Quite frequently the emotional shock of the loss of husband or wife is so catastrophic that the remaining partner either commits suicide or dies shortly from a seeming lack of will to carry on alone. The more stable person will withstand such shock and gradually adjust to the loss. In everyday life we will often act blindly and with poor judgment if this serves to protect the loved one. For instance, we do not like for others to criticize our children. We ourselves make excuses for them. We tend to overestimate their good points and underestimate their faults. And here we get mixed up with the next basic need I want to mention—that of self-esteem.

The need for esteem is one of the strong driving forces in our daily lives and it shows itself over and over in each of us. This is the need to be somebody, to be well thought of by friends and family, to be a leader, a success in our chosen field, to be respected even by our enemies. This need is universal and life is very empty if it is not satisfied. We will literally work our heads off to get the approval of certain people who are important to us. We quite frequently even imitate such individuals in manner, speech and behavior without being consciously aware of it. I am sure you have noticed this phenomenon at various times. This need for esteem is closely associated with ambition. Please understand that all these reactions and adaptations are quite within the normal. They could be considered pathologic only if the need for esteem were not normally satisfied and frustration produced such symptoms as hostility, depression or delusions of persecution.

We recently admitted a 50-year old foreign born Kansas sharecropper to the hospital for care and treatment. He had no formal education and could barely write his own name. He had no family and lived alone. One day on the farm he heard a voice which said he had been elected President of the United States. He sold his shocks of corn, packed his few belongings and reported to the White House. He said he had come as directed to assume the Presidency. Of course, the Secret Service spotted him at the door and quickly whisked him off to a hospital.

Enough of these people come to us each year that we call them White House cases. The mechanism of development is easily understood. Life had held no satisfaction of basic needs for this man and satisfaction had to come through another way of life—and we call that way mental illness. His delusion brought him self-esteem; he would be recognized by all and admired by all. Through this self-protective mechanism, he would no longer be alone or unloved.

Another not infrequent and similar illustration of this mechanism is the development of Christ identification in the patient. These conditions occur in individuals who have been severely deprived and they are often difficult to treat for what argument would be strong enough to change these beliefs in the face of such severe need for human satisfactions.

The need for esteem is as strong in the normal person as in the maladjusted. Each one of us can see evidences of this in our everyday behavior. What little tricks do *you* pull so the boss will think well of you? Or less well of your competitor? You know how often this happens—how often we shy away from a decision because we might be in error. When the error is made it is psychologically easy to put the blame elsewhere. Or, if we have made a good decision, it seems easy and proper to keep referring to it.

What additional helpful hints from the psychiatrist's workshop can we give you? One has to do with interpersonal verbal communications. You are already aware of the importance of clarity in communications with your employees. You know that two people hearing the same order may interpret the order differently, sometimes to the extent that one interpretation seems quite opposite to the other. Why is this so? Occasionally the difficulty lies in faulty communication technique or incidental inattention, but more often it is because the employee actually does not hear what is being said. He is absorbed with personal thoughts or possibly is firmly setting his objections to the content of

the communication without paying any attention to the speaker. This is a type of psychological defense which serves to protect the status of the person's individual beliefs and attitudes. I think it behooves all of us to examine our own reactions in this regard and to estimate in everyday conversations as to how much we talk and how much we listen. Sometimes we are surprised at what we find.

It is a great temptation for the young psychiatrist to tell his patient what is the matter with him and follow this with directions as to the cure. If the illness is primarily physical this plan may succeed, but if the illness is primarily psychological the plan will most surely fail. The patient who is mentally depressed and believes he is a total failure in life will not be cured by the psychiatrist telling him that he is not a failure and that such thoughts are due to his depressive feelings. Sometimes the patient will actually become sicker with this direct approach. The patient will conclude that the psychiatrist just does not understand the problem, he loses confidence in the physician and may refuse subsequent treatment altogether.

A husband and wife consulted me recently because the wife, at age 45 and in the change of life, had become depressed and despondent. She thought her husband had begun to have extramarital sexual relations because she somehow had failed him as a sexual partner. He kept denying his guilt and she kept accusing him until he decided the best thing to do was admit his supposed guilt and ask his wife's forgiveness, so she would get over her problem. He did so admit! But then all hell broke loose and she wanted all the gory details. He then realized his mistake and again told her the truth. Now she says she cannot trust anything he says and how will she ever be able to trust him again. The solution to such problems cannot be reached through such superficial actions, of course.

Basic requirements for psychotherapy are first that the patient must want help and the second that he must have confidence in his psychiatrist. You who have had serious illnesses or major surgery know of the personal satisfaction you feel from your belief that you have the finest physician in the area and that he is going to give his very best attention and help to you. This faith gives you courage to bear your burden and somehow strength flows from your doctor to you in this emergency.

This same reaction happens in the relationship of psychiatrist to patient and is the keystone on which treatment is built. Using this physician-patient relationship as an emotional support, the patient, through the talking-out process guided by the psychiatrist, gradually is able to work through his emotional problems to their best solution. But mind you, the process is a slow and laborious one for the mentally ill patient. The key to therapy lies in the development of understandings and insights by the patient himself so that he really makes the decisions for himself in the final analysis, but it is done through the technique of gradually developing self-reliance in the permissive, understanding climate created by his purposive faith in the psychiatrist.

To a lesser degree this kind of relationship develops between pastor and parishioner, lawyer and client and employer and employee. The extent of helpgiving rather largely depends on the integrity of the counselor and the amount of confidence he engenders. Certainly people in trouble go to persons in whom they have confidence and unless such confidence exists little help can be given. This help is most effective if the person is guided toward the best solution but he must find the solution himself rather than being told what to do or not to do. Said in another way, the psychiatrist does little maneuvering or manipulating of the patient in a directive way but encourages him to look clearly and in unbiased fashion at the complete problem and them the patient comes to his own decision.

I have had many questions asked concerning the proper way to refer an employee for a psychiatric examination. In my experience the best way to do this is through the suggestion of a physical examination and then confidentially suggest to the examining physician that the problem may be mental rather than physical and have him arrange the consultation with the psychiatrist as a part of the total examination procedure. If you have a plant physician such plan is relatively simple. Where you have to work through the employee's family physician it has to be handled more delicately. The supervisor should be alert to incipient mental illness whenever there is any sudden change in the attitude, speech or behavior of an employee which seems quite out of keeping with his usual condition. This could be a quiet, reserved person becoming suddenly talkative and outspoken, or vice versa. The sedate family man who becomes a beau brummel, a miserly skinflint who begins to give away money, a conservative manager who suddenly decides to take on two evening or night jobs. Any such changes might be the early symptoms of a mental breakdown. The key to the identification of such early mental signs is the intimate knowledge of the person so that you know his various types of usual response to stress and you can, therefore, easily identify the abnormal responses.

Because of the psychiatrist's knowledge and understanding of deviant behavior the public expects him to be more tolerant, pliant and stable in his relationships with others. There are always exceptions, of course, but personal understanding of oneself should produce this result. If so, then the manager who understands his own feelings, goals, attitudes and responses to stress should be expected to handle relationships with his employees in a smoother way than if he lacked such insights. Also, he should be expected to be more flexible in his personal relationship than the average employee he supervises.

IF THESE insights can be developed by the manager, I feel sure there will follow a climate which will be much more healthy and enjoyable by everyone. The employee morale will be improved and the general feeling that this is a good place to work will be engendered. Once this happens, and employees feel happy and secure, their work production should sharply increase to the company's general advantage. Employee participation through incentive award programs naturally follow and in this kind of climate labor problems are at a minimum.

We have tried here to bring you a few of the facts and some of the simpler tools and skills from the workshop of the psychiatrist. The question remains as to whether you can make practical use of these and other clinically developed experiences. You cannot be expected to be skilled technicians in our field. We realize, as you do, that a little learning may be a dangerous thing! But we also believe that the man who has some clear understanding of how he functions as a person not only enjoys a happier life for himself, but also he is in the enviable position of being able to offer an understanding and helping hand to a friend in need—which is the much greater privilege. ■

S.A.M. National Awards for 1956-57 Presented At Annual Fall MEASUREMENT OF MANAGEMENT Conference

THE 1956-57 S.A.M. National Awards presentations highlighted the Thursday, October 31st luncheon during the S.A.M. Measurement of Management Conference this year. S.A.M. National Officers were on hand to make the presentations. **Hezz Stringfield,** Vice President of the Southeastern Region presented the first 10 winners of Senior Chapter Performance Awards. (See page 19 for photo and story.) In addition to the S.A.M. Award Banners and Certificate, the Big Ten received Hamilton Watch awards from **David F. Chapman,** District Manager of the Hamilton Watch Company.

Al N. Seares, Vice President of Remington Rand Company, was on hand to present the Remington Rand awards to student members, who were the guests of **Dause L. Bibby,** President of Daystrom, Inc., at the luncheon. Speaking for his company, Mr. Seares said: "It is particularly pleasing to me to be given the opportunity to indicate Remington Rand's interest in the progress and achievements of S.A.M., which has done more than any other similar organization to build a constructive philosophy for modern business and industry. Remington Rand, like so many other enterprises, has benefited from these activities because you have done—and are doing—so much to promote better administration practices in business as well as in government. The S.A.M. University Chapters, fostered and promoted in recent years by S.A.M. Senior Chapters, have achieved a stature of their own which, I'm sure you will agree, has been a credit to themselves and to our Society, which has, until now, been alone in giving recognition to the performance of University Chapters. It is high time industry also participated in this recognition.

"My company is, in a sense, a part of S.A.M. we work with S.A.M. and we believe in S.A.M., its objectives and its practices. You can understand how much our company identifies itself with this Society when I tell you that our house organ, **SYSTEMS** Magazine, carries a quotation from S.A.M.'s constitution permanently on its masthead. It is that statement which says: 'No war, no strike, no depression, can so completely destroy an established business or its profits as new and better methods, equipment and materials in the hands of an enlightened competitor.'

We believe that to be good, sound, philosophical thought—the kind of thinking for which S.A.M. is a leader. So, you can understand why I am particularly glad to take part in this program today, along with our friends from AMP, Inc., and the Hamilton Watch Company. I am sure the representatives of these two companies share my enthusiasm for the accomplishments of S.A.M. as a whole, and for those of the University Chapters in particular." ■

Right: George M. Goettelman, S.A.M. Vice President of Civic Affairs, presenting the S.A.M. Civic Affairs Award to **William Devine** for the WASHINGTON Chapter's assistance in streamlining the management of the United Community Services of Washington, D. C. Mr. Devine is Chairman of the chapter's Survey Committee.

Above: The S.A.M. Material Handling Award for 1956-57 was presented to **James R. Bright,** Associate Professor of Business Administration at Harvard Graduate School of Business Administration by **Warren J. King,** McGraw Hill Publishing Company editor. Mr. Bright was chosen for the award because of his many contributions to the development of an analytical approach to Material Handling.

Below: RARITAN VALLEY Chapter's Civic Affairs Award was accepted from **George M. Goettelman,** S.A.M. Vice President of Civic Affairs, by **Norman LaCombe,** chapter president, in recognition of that chapter's community project in assisting hospitals and schools in the Raritan Valley of New Jersey. Mr. Goettelman also gave Honorable Mentions to KANSAS CITY, PITTSBURGH and WILMINGTON Chapters during the Awards Presentation.

Below: S.A.M. National President **H. E. Lunken** presenting the S.A.M. Life Membership Award to **Luther Gulick,** President of the Institute of Public Administration.

Above: S.A.M. Vice President of Research & Development Professor **Ralph C. Davis** of Ohio State University presented the S.A.M. Research & Development Award to **Richard Ingraham** for the HUDSON VALLEY Chapter, in recognition of that group of S.A.M. members' efforts to benefit Business and Industry in their area through closer cooperation in management research and development.

PRESENTATION OF S.A.M UNIVERSITY CHAPTER AWARDS

THE *Remington Rand, Inc.* and the *AMP, Inc.* Performance Awards were presented to the top ten University Chapters in the nation, under the provisions of the Performance Awards Plan, at luncheon on November 1 during the S.A.M. Fall Management Conference, Hotel Statler, New York City. Competition was keen and the chapter reports revealed carefully planned and successfully executed programs of educational activities of real value to the members.

Citations and banners were presented to representatives of the winning chapters by Al N. Seares of *Remington Rand, Inc. of New York;* Harry Steimling of *AMP, Inc. of Harrisburg, Pennsylvania;* and Professor Harold Fischer, Vice President, University Division.

This year the cash awards provided by Remington Rand, Inc. and AMP, Inc. made possible the transportation to New York of representatives of the ten leading chapters to receive in person their richly deserved tributes; while *Daystrom, Inc.* and Dause L. Bibby were hosts for the luncheon.

In his message to the group, Al N. Seares, Vice President of Remington Rand, Inc., said in part: "The University Chapters which you have fostered and promoted in recent years have achieved a stature of their own which, I'm sure you will agree, has been a credit to themselves and to your Society. The Society, until now, has been alone in giving recognition to the performance of the University Chapters. It is high time industry also participated in this recognition. I'm sure the representatives of AMP, Inc. and Hamilton Watch Company share my enthusiasm for the accomplishments of S.A.M. as a whole and those of the University Chapters in particular."

University Chapter Awards

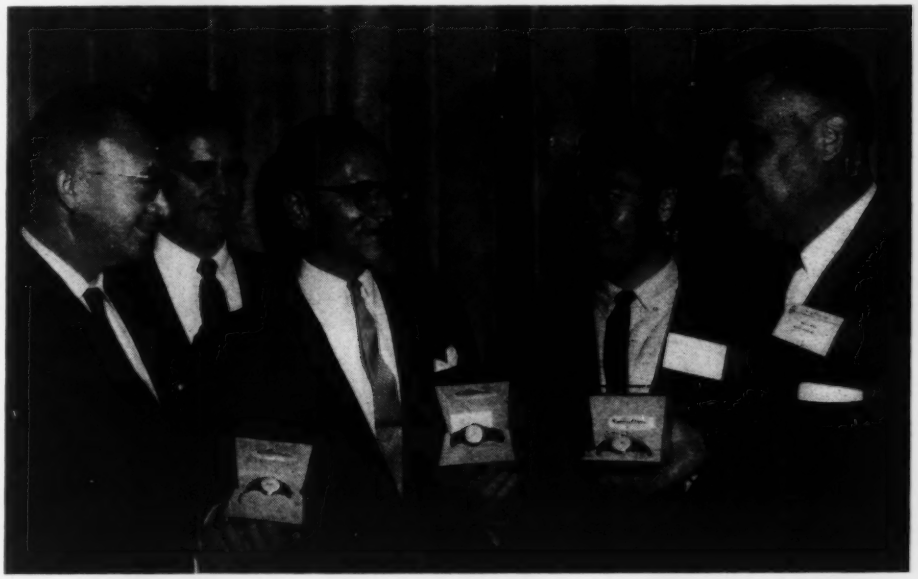
Double Winners 1956-57:
- University of Texas
- Boston College
- University of Houston

Triple Winners 1956-57:
- Mississippi State College
- Indiana University

Hamilton Citations Awarded To Chapter Performance Winners

THE FIRST 10 Chapter Performance Award winners for 1956-57 received, in addition to the S.A.M. Banner, a Hamilton Watch Company citation, which was presented to representatives of the winning chapters by the Hamilton Company's District Manager DAVID F. CHAPMAN.

PROVIDENCE Chapter was *First Prize* winner of the Harrington Emerson Trophy, Banner and Citation, with MILTON M. KOZAK acting as recipient. *Second Prize,* the Ordway Tead Bell and Gavel, Banner and Citation, went to KNOXVILLE, and were received by CLYDE CARPENTER. GREENVILLE Chapter won *Third Prize* —Banner and President's Award and Scroll for greatest increase in chapter standing—and Herb Kittredge was recipient. *Fourth Prize* went to WASHINGTON Chapter, with ROBERT B. CURRY receiving. *Fifth Prize*—HUDSON VALLEY Chapter; JOSEPH F. RUTKA accepting for the chapter. *Sixth Prize*—MILWAUKEE Chapter, and GEORGE SIEVERS was recipient. PITTSBURGH Chapter won *Seventh Prize,* with DAVID WISE as recipient. *Eighth Prize* went to READING Chapter, with CARL REETZ as recipient. *Ninth Prize* was won by NORTHEASTERN PENNSYLVANIA and J. T. JONES, JR., was on hand as recipient. RICHARD MUTHER accepted *Tenth Prize* Banner for KANSAS CITY.



Accepting the Hamilton Watch Company Awards for their chapters were (Left to Right) **Clyde Carpenter,** KNOXVILLE Chapter; **Richard Muther,** KANSAS CITY; Hamilton's District Manager **David F. Chapman,** presenting the awards; **Herb Kittredge** was recipient for GREENVILLE Chapter; and **Carl L. Reetz** receiving for READING Chapter. Other recipients for chapters were not available at the time this photograph was taken, but their names are listed in the above story.

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University Chapter Announced At

THE S.A.M. 1956-57 University Chapter Performance Awards, financed this year by Remington Rand Corp., and AMP, Inc., of Harrisburg, Pa., were presented to representatives of the 10 winning chapters on November 1st in New York at the S.A.M. Measurement of Management Conference. The awards, given for "achievement in advancing the art and science of management through

Tied for 1st Place—MISSISSIPPI STATE COLLEGE tied with **INDIANA UNIVERSITY,** sharing the $675 cash award. **Al Seares** of Remington Rand and **Professor Harold Fischer** present the award to Mississippi's representatives **Dean James M. Parrish, James Noblin, Lawrence Campany, Frank Worthy, James Thrash, Clifford Mitchner** and **Frank Woolf.**

Tied for 1st Place—INDIANA UNIVERSITY

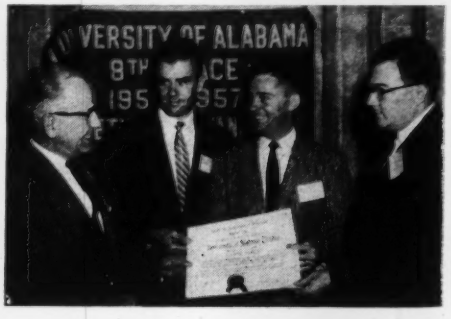
Receiving the award from **Al N. Seares** of Remington Rand and **Professor Fischer** were Indiana representatives **Dr. Fremont A. Shull, Jr., Bob Taylor, Gayle Hayes, Bernie Schaler, John Barton** and **Tom Doyle.**

3rd Place—UNIVERSITY OF PITTSBURGH

Photographed with **Mr. Seares** and **Professor Fischer** are Pittsburgh's representatives **Chester F. Maruszewski, Dick Heilman, John Orlando, Ralph Will, Bernie Mathis, Craig Thompson, Roger Thompson** and **William Rukavina.**

4th Place—OHIO UNIVERSITY

Receiving the awards for their chapter were **Dr. E. Ted Hellebrandt, Norman Skinner, John Wood, Edie Pershing, Pete Jackson, Cap Whitney, Harold Buckert, Annette Ballweg, Bette Dowdell, Bill Keck, Dave Evans, Walt Fleishhacker, Burt Welsh** and **Gary Simpson.**



Performance Awards S.A.M. Conference

a program of educational activities", were presented by Al N. Seares, Vice President of Remington Rand and S.A.M. Vice President of Marketing, Harry Steimling of AMP, Inc. and Prof. Harold Fischer, S.A.M. Vice-President of University Chapter Division. (See page 19 for more on the Awards Presentation.)

5th Place—BOSTON COLLEGE

Recipients of the award for Boston were **Dante Marinelli, Mitchell Rice, Donald Hugh, Joseph Giardina** and **John Rooney.** Photographed with **Al Seares** and **Professor Fischer.**

6th Place—UNIVERSITY OF TEXAS

Harry Steimling of AMP, Inc., presented the award to Texas chapter representatives **Professor Kenneth Olm, John Malone, Dave Hustace** and **Norman Wood.**

7th Place—AMERICAN UNIVERSITY

Mr. Steimling presented the award to American's representatives **Professor Stanley I. Posner, Jerry Donovan, Kenneth Munsey, Joseph Murphy, Mary Willis, Robert Shanno, Frank Paulson, Richard Gay** and **James Carroll.**

8th Place—UNIVERSITY OF ALABAMA

Mr. Steimling presented Alabama's award to chapter representatives **Roger A. Vonland** and **Wyatt N. Sieber,** as **Professor Fischer** (left) looks on.

9th Place—CLARKSON COLLEGE OF TECHNOLOGY

Clarkson's **Professor J. Ronald Frazer, Roy Bradley, Joseph Cerruto, Richard Stein, Richard Abramhamson** and **John Moore** received their chapter's award from **Mr. Steimling.**

10th Place—UNIVERSITY OF HOUSTON

Roger Davis was Houston's recipient. **Harry Steimling** of AMP, Inc., presented the award. **Professor Fischer** (left) looks on.

Executive Training Programs

by Dr. Louis J. Rago
Associate Prof. of Management
Duquesne University
Pittsburgh, Pa.

ALTHOUGH there is uncertainty as to the specific merits of executive programs, large enterprises have readily accepted the idea of sending their junior executives back to school. To evaluate the reasons for these programs and the merits thereof, it is necessary to analyse those factors which precipitate the creation of such training courses. In so doing, the answer will become quite obvious. The purpose of training programs for executives offered by our major universities is to render a greatly needed service to business. Enrollment is limited to individuals already holding positions of responsibility who, for reasons explained later, need additional training in industrial administration.

In the decade since 1945 the problem of management replacement became more pronounced than ever before. As far as industry was concerned, World War II and the Korean War created a serious shortage of executive personnel simply by interrupting the steady flow of college graduates to business, from among which top-management will eventually evolve. This shortage was aggravated by the unusually dynamic growth of the economy subsequent to these wars which swelled the need for young executives. In addition, the "old timers" who held top-executive positions started to reach retirement age not gradually but in groups. In this respect, the future trend promises to follow a similar pattern; "one estimate puts 42 per cent of present executives within ten years of the retirement age."[1] On the basis of this commenting, the management replacement problem seems to be primarily a *quantitative* problem; it has, however, serious *qualitative* aspects.

Qualitatively speaking, the implication is not that past and present executive generations compare unfavorably, but that the last decade or so made industry so complex that a greater degree of specialization is required of the young executive without loss of versatility. And this is a big order. On the other hand, industry has gradually adapted itself to the notion that a college diploma is an essential ticket to enter the ranks of management. In so doing it has presented itself with a problem, for there seems to be relatively few college graduates fully qualified for industrial jobs. As a result of this shortage, industry is being forced to accept many college men regardless of educational background. The up-shot of this is that the degree holder has to be trained in specific functional fields *before he can be placed in a job*. While this training enables the individual to handle a limited number of jobs, in order to stand on his own in executive jobs, a great deal more than experience is needed. Since industry has neither time nor the facilities to give the young manager all the well-roundedness required for executive positions, American business turns to universities.

[1] Newsweek, *June* 18, 1956.

LOUIS J. RAGO, before his present appointment, was an Associate Professor of Management at the University of Rhode Island, and has also taught at Marquette and Notre Dame Universities. He has acted as Consultant to Willys Overland Motors, the Florsheim Shoes Company and for the Siltronic Company. Professor Rago holds an Industrial Engineering degree, an M.B.A. and the Ph. D. He has published two books, *Industrial Management* and *Efficiency Programs*, the latter to be available in the Spring of 1958. He has also had numerous articles published in various professional journals.

Training Needs vs. Background

According to *Newsweek*, (June 18, 1956) this year any degree holder could have been placed in industry and to some extent always as a replacement of retiring management personnel. Furthermore, industry had 500,000 more jobs to fill. These jobs did not require possession of specific industrial knowledge; thus, for example, an Animal Husbandry major may have been accepted for a sales job in industry. College trained mind and intellectual curiousity were sufficient to qualify. Obviously, such deviation from accepted practice was an expediency to cope with the quantitative management replacement problem.

The qualitative problem, however, is more complex and correspondingly more difficult. A "souped-up" company-conducted training program, which is an extensive "on the job training" mixed with classroom work, seem to be sufficiently effective to enable the "trainees" to do productive work within a relatively short period of time. Thus, these men

will be placed at the bottom of the executive ladder. As changes on the top occur, an upward movement takes place until our Animal Husbandry major may land the sales executive position. Although he gained sufficient knowledge and competence as a result of having been groomed on various sales jobs, the new position brings with it company-wide problems touching upon economics, engineering, production and materials control, inspection and quality control, budgetary and cost control and labor relations, with which the new man can scarcely be acquainted. In such promotion cases the firm's facilities are not adequate to undertake the "training of the executive." Here is where universities with their executive programs can provide a valuable service. Such programs give the young executive a chance to learn functional relationships and practice executive decision-making by (1) examining and solving company-wide problems cutting across individual functional areas; (2) through the exchange of experiences with men in comparable positions from other firms; (3) by making the executive aware of the importance of human relations among members of the higher echelons of management; (4) by opening his eyes to new industrial practices and making his mind receptive to new ideas. Basically, these programs tend to broaden the executive's horizon, especially in cases where the executive has been groomed only on a few highly specialized jobs.

SINCE industry discovered the applicability of the tools of mathematics and statistics to a wide range of industrial problems, scientists are hired for business jobs. These men have had to be taught quickly the point of view of the executive. Their usefulness and effectiveness depend on the basic understanding of the function of such management tools as statistics, operations research and linear programming. Executive Training Programs can do a rather thorough job in indoctrinating these mature men with the principles of industrial management. Lawyers who join the ranks of management would come under this category also, although their background in business is better than that of a mathematician. They also can acquire in Executive Programs the necessary know-how to operate within the framework of an industrial enterprise.

A third group which can benefit a great deal from Executive Programs is the "self-made" executive. These men worked their way up the line from workers to executives. These men proved their capabilities and are long on experience and practical know-how but short on administrative skill as far as over-all business operations are concerned. These men can gather all the information they feel that they need by attending such executive programs. The fact that a university atmosphere is conducive to learning and that these courses attract bright young executives can be "intellectually stimulating" to the self-made man. To this man the program helps to tie up loose ends rather than adding to his wealth of knowledge. He can learn here insight and skill, as well as proper behavior patterns in the executive environment.

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Executives and Case studies

Since execuives are competent men with specialized knowledge and administrative skill, it would be absurd to use any other method in presenting the material than the case method. This way every participant contributes to the solution of typical industrial problems as he sees them. In this way he can make a comparison between his own solution and that of the class. Thus, errors in executive thinking will be brought out without insult, humiliation, but especially without harmful effect on the company in which the men work. Since the situations presented by case studies are never such that "egoistic interests" could distract from the proper solutions, they tend to establish the proper principles. The group pressure silences easily those whose thinking is in the wrong direction. Past errors, the best teaching tools of all, come to light without getting into embarrassing situations. Actually, the participants learn from one another rather than from the teacher.

Summary

The war and an ever-expanding economy has created a shortage among versatile executives. To remedy the situation, executive programs were instituted primarily to give an opportunity to junior executives (1) to analyse critically company-wide problems, cutting across individual functional fields; (2) to learn from experience and practical know-how of others in comparable ranks in the management organization; (3) to re-discover the importance of human relations in industry; (4) to gain insight and skill by seeing and practicing the broader aspects of executive decision making; (5) to be stimulated intellectually; (6) to become receptive to new ideas and methods.

These programs were designed for mature business administrators already holding positions of authority in the higher echelons of the management team. Although executives are well versed in their respective fields, competent in their actions and decisions, etc., there are areas in which their lack of background could result in decisions detrimental to the interest of the company for which they work. In order to avoid common managerial errors and to strengthen the competence, versatility and broad-mindedness of young executives, firms send them to attend programs for executives, in the hope that these programs are the answer to the serious management replacement problems in which business of today finds itself. ■

IN MEMORIAM

It is with deepest regret that we announce the death of S.A.M member Joseph L. Kopf, head of Jabez Burns & Sons, New York. Mr. Kopf died suddenly, during a meeting of the American Society of Mechanical Engineers in Skytop, Pa. He was 66 years old.

S. A. M *Newsletter*

Current news of interest to all S.A.M Members, specifically for the 900 Chapter and National Officers of the Society.

HAROLD R. BIXLER
Executive Vice President of Society Operations

COOPERATIVE RELATIONSHIPS ESTABLISHED WITH AUSTRALIAN INSTITUTE OF MANAGEMENT—All members with present or possible future interests in Australia can benefit from the reciprocal arrangements approved by the National Board of Directors to formalize mutual activities between S. A. M. and the Australian Institute of Management. This includes (1) S. A. M. members visiting Australia would have all the privileges of attending their meetings and association with their members. (2) A. I. M. would provide S. A. M. members with helpful introductions to business leaders in Australia. (3) Opportunity would be provided whenever feasible for S. A. M. officers and representative members to speak on their particular management subjects. (4) S. A. M. members could obtain copies of the A. I. M. annual surveys and other publications. (5) A. I. M. would assist in arranging tours for S. A. M. members to Australian works and plants. This is another evidence of the increasing recognition of S. A. M. in other countries through direct memberships, exchange of publications, contact with their management organizations, governmental agencies, universities, and individual companies.

UTILIZATION OF PROFESSIONAL AND SPECIALIZED PERSONNEL—S. A. M. has been informed by the U. S. Department of Labor that an expanded and specialized placement service for professional and managerial occupations, which have been in short supply for several years, is now in operation. The new program will be operated by the nationwide system of State and territorial employment services affiliated with the Bureau's United States Employment Service. Secretary of Labor JAMES P. MITCHELL said the State employment services, which operate 1,750 local employment offices, designated seventy-eight local and State employment offices to serve as special employment centers to speed up the matching of men and jobs in professional and managerial occupations on a nationwide basis. Each of these offices will have on file at all times a nationwide list of job opportunities in the professional and managerial occupations. As at the date of the announcement the State Employment Services had some 8,400 job openings for professional and managerial workers which could not be filled from community labor supply, and for which employers had authorized out-of-area or nationwide recruitment.

NEW S. A. M. MEMBERSHIP INVITATION—A new publication is now available to the Chapters in quantity, and to the membership at large, as another aid in their assistance for membership promotion. It is a specially designed invitation from National President H. E. LUNKEN, on behalf of the National Directors, cordially inviting individuals to apply for membership in order to obtain the many services, benefits and privileges through the Society's Chapter, Regional, and National Program of Activities. It contains specific questions on the following: "What is S. A. M.? What Are S. A. M.'s Objectives? How Does S. A. M. Differ From Other Management Associations? What Are S. A. M.'s Services To Members? Who Belongs To S. A. M.? How Can I Join S. A. M.?"

It contains a handy order form for those who wish to join, or want such information as Organization Brochure, Membership Application, Publication List, How To Organize A Local Chapter, and other purposes.

NON-PROFIT ORGANIZATION TAX PROBLEMS FROM TRADE SHOWS—If the Bureau of Internal Revenue applies across the board its ruling of last July in a trade association case, non-profit organizations will have to pay Federal income taxes if they have trade shows —not merely on the "unrelated income" from exhibits, but also on dues and other types of revenue. The ruling declared "Based on the information presented, it is our opinion that such activities substantially serve the exhibitors and retailers as a convenience and economy in the conduct of their businesses. In conducting the selling markets (trade shows) you provide direct advertising and publicity campaigns for the distributors, eliminate substantial travel on the part of such distributors, and provide (primarily), selling opportunities for them, as well as opportunities for retailers to see all types of merchandise under one roof. Therefore, it is our position that you are rendering particular services for individual persons, as distinguished from the improvement of business conditions generally. "Accordingly, our ruling holding that you do not qualify for exemption from Federal income tax as an organization described in section 501 of the Internal Revenue Code of 1954, is affirmed."

DISTRIBUTION NAME CHANGED TO MARKETING—Upon recommendation by National S. A. M. Vice President AL N. SEARES, and approval by the Directors, the name of our DISTRIBUTION DIVISION has been changed to MARKETING. This is in keeping with recent action taken or planned by several other leading organizations. It is a result of the increasing interest by management as to the ways and means of increasing "profitable sales" and has brought about many recent articles as to the need of new concepts in marketing. This broadening of the responsibilities of Marketing Management is receiving the attention of many organizations. This recognition requires a realignment of marketing responsibilities from product planning through customer service functions. It is the intent of S. A. M.'s Marketing Division to inform its membership of these developments, as more emphasis is given to techniques on how to increase consumption and thereby sustain high levels of production. Many of the principles of Scientific Management must be utilized in the process—from marketing research (including motivation research), product planning or betterment, packaging, sales presentations, advertising and sales promotion, transportation, pricing, compensation, sales analysis of salesmen's performance, product and market profitability, and methods of marketing.

Vice President SEARES is discussing these subjects before a number of Chapters under the following specific headings: "New Concepts in Marketing Management"; "How to Add Value and Profits in Marketing Management".

S. A. M. INDUSTRIAL RELATIONS PROGRAM —SAM BURK, S. A. M.'s new National Vice President for Industrial Relations, as part of his developing program for the Chapters, recommends consideration of the following series of pamphlets prepared by the National Association of Manufacturers on the subjects: Satisfying the Salaried Employee; Dealing with Employees as Individuals; Employers' Rights and Obligations Under the Taft-Hartley Act; Human Relations and Efficient Production; Monopoly Power As Exercised by Labor Unions; and Improving Human Relations. They may be obtained directly from: SYBIL PATTERSON, Industrial Relations Division, N. A. M., 2 East 48 Street, New York City 17. Mr. BURK also calls attention to recent survey completed by The Bureau of National Affairs, confirming the definite relationship between employee morale and productivity. The complete survey report entitled "Employee Job Satisfaction" is available from the B. N. A., 1231 24th Street, N. W., Washington, D. C. as report No. 43 in their Personnel Policies Forum. The report points out the importance of non-wage factors, such as opportunity for advancement, recognition of achievements, and status within the company as being even more important to certain employee groups.

NATIONAL OFFICE MAILINGS — All 850 Chapters and National Officers are reminded to check their particular interests in the following combined mailings sent each Chapter and National Director since the last listings, and to broadcast the particular information it contains: Chapter Operations Manual, National Business Show Complimentary tickets, Memo To All Executives Over 45, Wages-Prices-Profits and Inflation, What's Ahead in the Senate Labor Investigation, National Activities and Policies Questionnaire, Series of four Membership Promotion letters, List of Dallas Chapter Officers, Pamphlet titled "Know-What plus Know-How", Special Activities Questionnaire on Chapter Meetings and Seminars, Report on the President's Conference on Technical and Distribution Research for the Benefit of Small Business, Monthly Chapter Performance Plan Report, Membership Report by Grades & Chapters, Economics Program Questionnaire, S.A.M. Material Handling Clinic, Speechmaster Portable Lectern, Your Meetings Can Get Results, Hospital Aid Case Studies No. 01-01-1. Accounting and Costs-Payroll Procedures and No. 03-02-1 Central Supply-Definition, No. 04-03-1 Food Service-Improvements of Personnel, Guest Editorial, "Industrial Know-How Serves Hospitals", New Dimensions-New Horizons—Special Facts About S.A.M. Membership, Cost Reduction Workshop, December 10th Conference in New York City to be conducted by PHIL CARROLL in cooperation with the NEW YORK CHAPTER.

A BASIC REASON FOR S.A.M.—"The greater part of all the mischief in the world arises from the fact that men do not sufficiently understand their own aims. They have undertaken to build a tower and to spend no more labor on the foundation than would be necessary to erect a hut . . ." GOETHE.

NEW FEATURES IN "ADVANCED MANAGEMENT"—Continued improvements in the format and set-up of the Society's official monthly publication "Advanced Management", along with refinements in content, have earned additional compliments from both within and outside the Society. They are reflected in the October and November issues, representing the first changes, and include a new front cover, im-

proved table of contents page, and news highlights for members at large, with significant items for use by the 850 Chapters and National Officers.

IN SHORT—A number of Chapters are producing excellent annual manuals. Well worth writing for as samples are the pubications by PHILADELPHIA, WASHINGTON, HUDSON VALLEY, MILWAUKEE, and FOX VALLEY representing various features in size, style, format and content . . . Sam Casey now has competition. The KANSAS CITY symbol during recent years has been an important fellow called "Sam Casey" (S.A.M.K.C.) FOX VALLEY Chapter has just adopted a lovable rascal called "Sam Fox" whose caricature is being used as a membership promotion feature . . . Write to BRIDGEPORT Chapter for samples of their very clever memo pad containing marked calendar for meetings, with subject and speaker descriptions as sent to companies in their area, along with an invitation letter . . . HUDSON VALLEY Chapter supplements the regular presentation at their monthly meetings with "Technical Councils". These are discussion groups carried on at each table during the meal period, on a selected subject according to an outline which is presented to each one in attendance . . . NEW YORK Chapter enjoys the co-sponsorship of other local organizations for some of their meetings and seminars, including recent ones with Industrial Relations Research Association, Labor - Management Luncheon Club of New York, and American Institute of Industrial Engineers. This is typical of the national policy as followed by many other S.A.M. Chapters. It pays to include other local professional and management groups as co-sponsors or participants in the local S.A.M. program, in relation to their mutual functional and community interests.

SECOND INTER-AMERICAN MANAGEMENT CONFERENCE TO BE HELD IN U. S.

"Managers for Expanding Economies" will be the theme of the Second Inter-American Management Conference, which will be held under the auspices of the Pan American Council of the Comité International de l'Organisation Scientifique (PACCIOS) from NOVEMBER 16 TO 21, 1958, at White Sulphur Springs, West Virginia.

The Council for International Progress in Management (CIPM), the U. S. member of PACCIOS, will be host for the Conference. Leading management representatives from the PACCIOS member countries — Argentina, Brazil, Canada, Chile, Mexico, and Peru—as well as from all other Latin American countries, will be among the 300 delegates to the Conference. The program will include major addresses by industrial leaders of the Western Hemisphere, panel discussions, and for those who are interested, a large choice of workshops designed to explore some of the practical aspects of management that are particularly important in expanding industrial economies.

COMPLETE PROGRAMS FOR THE CONFERENCE WILL BE AVAILABLE IN FEBRUARY, 1958. For further information, write to the Council for International Progress in Management, 350 Madison Avenue, New York 17, New York.

CIPM represents the United States management movement at the international level. Its membership includes leading management associations, corporations, and colleges of business administration. It is the official U. S. representative to the Comité International de l'Organisation Scientifique (CIOS), an international body with member committees in 29 countries of the free world. PACCIOS is the Western Hemisphere organization of CIOS. ■

The Ideal Labor Contract

IDEALS are useful things. They help men's minds form clearer pictures of the meaning of the often seemingly random push and pull of their daily struggle with themselves and each other.

An image of an ideal labor contract gives a clue as to what labor and management representatives are really accomplishing at the bargaining table, sometimes consciously, sometimes unconsciously.

Occasionally management thinks an "Ideal Labor Contract" is none at all, or failing that, as little contractual obligation as they can get away with. Union representatives often assume that an ideal contract is one in which management gives in to all their demands, or especially the "pet issues" of the day.

Neither of these attitudes has anything to do with determining what is ideal in a labor contract.

Fads abound in labor-management issues just as they do in women's clothes. Very often an issue is made great merely because it has become, for the moment, fashionable, and has received the attention of the labor press or the sudden interest of the Chamber of Commerce.

Negotiators too often are fascinated by form instead of substance. They assume that certain clauses "must" be included, or worse, that certain "magic" or "safe" wording should be insisted upon. Besides demonstrating a lack of imagination and inventiveness of the parties themselves, this practice often obscures real solutions to issues and displays a lack of appreciation of the individuality of a company and its employees.

An ideal, of course, is something positive and so far I have referred to things which are negative, which are not essential to what is ideal in union-management agreements.

Stated positively; *an ideal labor contract embodies commonly accepted concepts of justice, and reflects the special needs and individual personality of its makers.*

Labor contracts are second cousins to codes of laws of a community or to the constitutions of states. They are attempts to set forth in writing the rules of justice and equity for all members of a group of people in their relations with each other.

Like all written codes of laws, the primary purpose of labor contracts is to protect the persons covered by them from the arbitrary or capricious whims and decisions of each other. What rights each shall have, what obligations all assume, are decided in advance and become rigid self-defining rules of justice and equity for as long as the agreement lasts.

Where rigid rules of action run against the grain of what seems fair and just to members of the group, whether management or employees, such rules are bad. Once agreed to they remain in force, but the rules fail because they are not based upon commonly accepted concepts of justice.

The difficulty is in knowing a commonly accepted concept of justice when you see one. The real search must be left to philosophers and theologians. Men who must make a choice on a given day have to be content with rules of thumb.

Thumbwise then, a solution to a labor-management issue which has been tried and proven in the community or the industry in which the particular union and management operate is probably a good example. "Area practice" and "industry practice" take on a sound fundamental role when viewed in this light. Managements and unions which resist such solutions face an uphill fight if they insist on considering as open questions what their neighbors have stopped arguing about.

This was not meant to be an essay on the art of conforming, and so I must quickly point out the second part of my definition of an ideal labor contract; it "*reflects the special needs and individual personality of its makers*". Majority rule lies at the bottom of a democratic (at least American) feeling for practical justice, and for that reason offers easy solutions to most disputes. It is a good general rule, but not an absolute one.

"Easy" solutions are poor solutions whenever problems have unique aspects or people have strong individual tastes or preferences.

Before a clause is lifted bodily from one contract to another, some inquiry should be made as to what it means elsewhere and whether the problems are similar. Many contract words are wasted solving problems that don't exist among the particular firm and its employes, but which used to exist in another plant in another part of town.

Contract writing suffers most from sloganism. "G.A.W.", "Plant-wide Seniority", "Severance Pay", "Union Shop", "Average Earnings", and hosts of other issues may or may not be important to employes or sound practice in an individual plant. Their dangerous characteristic is that they have become slogans, which are merchandised with the same lack of regard for the real needs of individuals as are brands of washing detergents and toothpastes.

It is beyond doubt that many employes, such as the skilled toolmakers of Detroit, have been blessed with S.U.B. whether they needed it or not. Likewise, managements often waste energy protecting themselves against self-styled "interference with their prerogative to run the plant", even while the threat endangers mainly their own misguided pride and vanity.

An ideal contract must result from more than the ill-considered imposition of the interests of one party upon another; it must represent a merger of all interests. What problems it solves are not as important as how it attempts to solve them. ■

by Charles R. Weidman
John L. Schwab Associates
Bridgeport, Connecticut

TYPICAL S.A.M. CHAPTER ACTIVITIES

JANUARY 1958

CHAPTER	SUBJECT	SPEAKER	TITLE	PLACE	DATE
Alabama	"Management Development"	Jason Cooper	Coordinator of Management Development, ESSO Standard Oil Co., New York, N. Y.		14
Baltimore	Seminar on Preventive Maintenance with Examples from Plant			American Radiator & Standard Sanitary Co., Dundalk, Md.	22
Binghamton	"Mathematical Programming"	N. Reinfeld	Managing Director, National Institute of Management	Carlton Hotel	8
Boston	"Preventive Medicine for Executives"	Dana L. Farnsworth	Director, University Health Services, Harvard University, Cambridge, Mass.		9
Bridgeport	"Financial Organization and Controls"	John E. Elisworth	1st Vice President, Ensign Bickford Company	Indian Room, Algonquin Club	7
Central Pa.	"Management Performance Standards"	J. B. Joynt	American Enka Corp.	Autoport Restaurant, State College	16
Charlotte	"What It Takes to Be a Manager"	John Fox	President, Minute Maid Corp.	Barringer Hotel	21
Chicago	"How To Improve Long Range Development Planning"	Richard Burke	Assistant to President, Sears Roebuck & Co.	Furniture Club of America	28
	"What An Industrial Psychologist Has To Offer To A Company"	Dr. Charles S. Dewey	Charles S. Dewey & Assoc., Management Consultants	Toffenetti's Restaurant	20
	"Effect of Price Changes on Sales Determined By Operations Research"	Edward Mahoney	Hotpoint Division	Hardings Presidential Grill	7
	"The Effect of New Products Upon Production Control"	Nathan Hoffman	Production Control Manager, Helene Curtis Industries	Furniture Club of America	16
Clearing	"Practical Aspects of the Brainstorming Technique"	John Schneider	Patent and Trademark Counsel, Abbott Laboratories	Clearing Industrial Club Rooms	15
Cleveland	"Hidden Organizational Defects"	Ralph Bessie		Cleveland Engineering Society Bldg.	13
Detroit	"Motivating Engineers"	Dr. J. W. Riegel	Director, Bureau of Industrial Relations, University of Michigan	Rackham Educational Memorial	21
	"What Is A Good Labor Contract"			Fort Shelby Hotel	9
	Plant Tour			Detroit Edison-IBM Installation	30
Fox Valley	"Scientific Management and The Unions"	Fred H. Simon	Research and Engineering Director, UAW-AFI-CIO	Elks Club, Appleton, Wisconsin	9
Greensboro	Industrial Relations Seminar	Herbert Kohler		Starmount Country Club	14
Greenville	"Atomic Energy Report From Oak Ridge"	Hezz Stringfield	Union Carbide Co., Oak Ridge, Tenn.	Elks Club	20
Hartford	"Getting Work Done Through Others"	Robert Guest	Yale	Bond Hotel	16
Hudson Valley	"The Effect of Operations On Management Decisions"	Dr. Herbert H. Jacobs	Vice President, Dunlap and Associates	Hot Shoppe Restaurant	7
Indianapolis	"Creative Thinking"	F. D. Randall	Eli Lilly & Co.	Marott Hotel	8
Kansas City	"The Future in Plastics"	Gordon Brown	Vice President, Bakelite Co., Div. of Union Carbide Corp.	Elks Club	21
Knoxville	"Cost Cutting at DuPont"	Roy M. Barnes, Jr.	Manager Sales promotion, Organic Chemicals Dept., E. I. DuPont de Nemours & Co., Wilmington, Del.	Deane Hill Country Club	14
Lancaster	"Systems Simulation"	Warren E. Alberts	Director of Industrial Engineering, United Airlines, Chicago	Hotel Brunswick	21

TYPICAL S.A.M. CHAPTER ACTIVITIES

JANUARY 1958

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Los Angeles	"Professional Educator's Answers to Executive Development Problems"	Ralph Barnes		Roger Young Auditorium	16
Milwaukee	"Selection and Training for Management"	L. E. Brandt	Director of Management Development and Training, Bucyrus Erie Co., South Milwaukee	Engineer's Society Bldg.	9
Montreal	"A Program For Reducing Manufacturing Costs"	A. Pirrie	Vice President, American Standard Products (Canada) Ltd.	Ritz-Carlton Hotel	8
Nashville	"Executive Training and Development"	Reeves Sims	Manager of Personnel, Stockham Valves and Fitting Co., Birmingham, Alabama	Hermitage Hotel	9
New Haven	"The New Total Quality Control"	E. V. Feigenbaum	General Electric Co., N. Y., N. Y.	Colonial House, Hamden, Conn.	23
New York	"Time Study Workshop"	Conducted by— Dr. Vincent F. Flynn	Research Director, National Office S. A. M.		31
N. E. Pa.	No Meeting . . .				
North Alabama	"Visual Communication and Modern Management"	Joe W. Coffman	President, Technifax Corp.	Hotel Russel Erskine	8
Northern New Jersey	"Tailoring Production Control To Fit Your Plant"—A training course to continue for 5 consecutive Mondays	Instructor: H. J. Mathews Jr. Under auspices of H. G. Buckwalter		Montclair	6
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	"Stainless Steel Casting & Machining" (Combines Plant Visit & Special Meeting)	A. Blum		Cooper Alloy Corp., Hillside, N. J.	30
Portland	Meeting and Plant Visit— Aluminum Products	Willis A. Noel	Reynolds Metals Co.	Reynolds Metals Co., Troutdale, Oregon	8
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West. Mass.		Patrick McGinnis	President, Boston & Maine Railroad, Boston, Mass.		
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Incentive Pay For Line Supervisors	Herbert A. Parsons	Dec.
The Individual Contributor	John B. Joynt	Jan.
Industrial Financing—Its Role In Distribution	Sydney D. Maddock	Feb.
Industrial Know-How Serves Hospitals	Harold R. Bixler	Oct.
Industrial Publications—Versatile Management Training Ground	Cy Freeman	Mar.
Inflation As A Way Of Life	Roger M. Blough	Apr.
Interference And Leveling On Multiple Machine Groups	Peter E. Dutcher	Aug.
Leadership, Authority, And The Span Of Control	Waino W. Suojanen	Sept.
"Living Cases" For Management Education	Prof. Jos. W. Towle & Carl A. Dauten	May
Management And Automation	Edward McSweeney	Apr.
Management Incorporated	B. F. Coggan	Nov.
Management Philosophy	H. E. Lunken	Oct.
Mathematical Models Of Management Significance	B. E. Goetz	Feb.
Mechanized Accounting For The Industrial Firm	Arthur P. O'Connor	Aug.
The More "Personal" Responsibilities Of The Top Executive	George W. Peak	Dec.
New Paths For Pioneers	Henry B. du Pont	July
Notes On General Theory Of Management	Waino W. Suojanen	Feb.
Nuclear Energy Opportunities In The South	Hezz Stringfield	Feb.
Operation Or Operator — Basis For Leveling Industrial Workers' Performance	Lee E. Kimball	Sept.
Organizing For Electronics	Stevens L. Shea	Dec.
Organizing For Service	L. T. White	Jan.
Orienting The Management Recruit	William B. McGorum, Jr.	Aug.
Parkinson's Law	John B. Joynt	Apr.
Personality Tests—Just What Are They Talking About?	Ingo Ingehohl	Aug.
Psychiatry And The Every Day Work Of The Foreman	Addison M. Duval, M.D.	Dec.
Physiological Study Of Motions	Lucien Lauru	Mar.
Policy Determination	H. E. Lunken	Sept.
Practical Automation	Lester R. Bittel & Morley G. Melden & Robert S. Rice	Nov.
The Purpose And Objectives Of S.A.M.	H. E. Lunken	July
Quality Control From Bench To Budget	Frank H. Squires	Sept.
Reducing Costs Through Purchasing	Thomas Hallowell, Jr.	Aug.
A Revolution In Thought	Fritz Jules Roethlisberger	Mar.
Science, Technology And Society	Dr. Lawrence R. Hafstad	Nov.
Scientific Management	H. E. Lunken	Aug.
Securing Uniform Decisions In Similar Judgmental Situations	Clement J. Berwitz	Jan.
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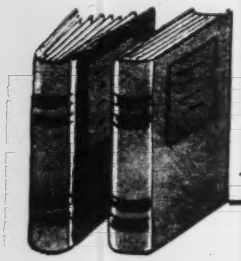
Silence—An Employee Relations Pitfall	C. J. Dover	Sept.
Social Responsibilities Of Today's Industrial Leader	R. Nordling	Apr.
The Span Of Control: A Reply	Herbert A. Simon	Apr.
The Span Of Control—Fact And Fundamental Principle	J. L. Meij	Feb.
The Success Story Of The Bettinger Corporation	Ray A. Weaver, Jr.	June
Turnover In Relation To Older Workers	R. O. Beckman	Apr.
Twelve Years Of Unconscious Level Testing Of Marketing Tools	Louis Cheskin	May
The Value Added Concept As A Measure Of Output	Theodore N. Beckman	Apr.
What Is Management?	Alvin Brown	July
What It Takes To Be A Manager	John M. Fox	June
Why A Senate Small Business Committee?	Sen. John Sparkman	June
Work Simplification — An Effective Program Of Improvement	Herbert F. Goodwin	Jan.
Would You Hire Your Son?	Perrin Stryker	Aug.

Books Reviewed

Administrative Behavior—2nd Edition—**Herbert A. Simon** ..... Mar.
The Administrator—**Glover and Hower** ..... May
Ageing In Industry—**F. LeGros Clark & Agnes C. Dunne** ..... Feb.
American Worker's Fact Book—**U. S. Dept. of Labor** ..... Feb.
Automation In Business And Industry—**Eugene M. Grabbe** ..... Oct.
Budgeting—**Glenn A. Welsch** ..... Sept.
Challenge Of The American Know-How—**Pearl Franklin Clark** ..... Sept.
Company Investigations Of Automatic Processing—**Peter B. Laubach** ..... June
Comparative Economic Organization—**Arthur Robert Burns** ..... June
Conference Leader's Guide For Supervision Of Scientific And Engineering Personnel—**John T. Lloyd & Robert D. Gray** ..... June
Cost Data For The Management Of Railroad Passenger Service—**Dwight R. Ladd** ..... May
The Development Of Markets For New Materials—**James Drury** ..... July
Dynamic Factors In Industrial Productivity—**Seymour Melman** ..... Jan.
Economic Analysis—**Edmund Wittaker** ..... June
Economic Development—**Gerald R. Meier & Robert E. Baldwin** ..... Sept.
The Economics Of John Maynard Keynes—**Dudley Dillard** ..... June
Education And Human Motivation—**Harry Giles** ..... June
Effective Industrial Management—**James L. Lundy** ..... Sept.
Elements Of Supervisions—**William R. Spriegal** ..... May
Employee Interest In Company Success—**John W. Riegel** ..... June
Engineering Enrollment In The United States—**Norman N. Barish** ..... Oct.
The Essence Of Management—**Mary Cushing Niles** ..... Feb.
Executive Decision Making—**Manley Howe Jones** ..... Oct.
Executives—Making Them Click—**Joseph Dean Edwards** ..... Jan.
Executive Performance And Leadership—**Carroll L. Shartle** ..... June
Explorations In Awareness—**Bertram B. Fowler** ..... Mar.
How To Negotiate A Successful Contract—**Lewis M. Brown** ..... May
Human Relations For Management—**Edited By Edward C. Bursk** ..... Feb.
Industrial Engineering Handbook—**Edited By H. B. Maynard** ..... Feb.
Industrial Organization And Management (Third Edition)—**McGraw-Hill** ..... June
Information For Administrators—**Paul Wasserman** ..... May
Labor-Institutions And Economics—**Alfred Kuhn** ..... Feb.
The Labor Policy Of The Free Society—**Sylvester Petro** ..... Sept.
Let Erma Do It—**David O. Woodbury** ..... Feb.
Linear Programming—**Ronald Press Co.** ..... Sept.
Maintenance Engineering Handbook—**Edited By L. C. Morrow** ..... Sept.
Management Accounting For Profit Control—**I. Wayne Keller** ..... Mar.
Management Of Industrial Enterprises—**Richard N. Owens** ..... Mar.
Managerial Economics—**Joel Dean** ..... Sept.
Manufacturing Organization And Management—**Amrine Hulley & Ritchey** ..... Sept.
Marketing Management—**John A. Howard** ..... Sept.
Modern Market Research—**Max K. Adler** ..... Aug.
Motion Economy And Work Measurement (2nd Edition)—**Robert Lee Morrow** ..... Aug.
Motion And Time Study—**Marvin E. Mundel** ..... Sept.
New Money For Business—**McGraw-Hill** ..... June
Nonparametric Methods In Statistics—**Donald A. S. Fraser** ..... May
Office Automation—**R. Hunt Brown** ..... Sept.
The Office In Transition—**Esther R. Becker & Eugene F. Murphy** ..... May
The Practice Of Unionism—**Jack Barbash** ..... June
Principles Of Statistical Analysis—**Samuel B. Richmond** ..... Sept.
Procurement—**Howard T. Lewis & Willard B. England** ..... Oct.
Production Forecasting Planning And Controlling—**E. H. MacNiece** ..... Mar.
Psychology In Management—**Mason Haire** ..... Feb.
Public Control Of Economic Enterprise—**Harold Koontz & Richard W. Gable** ..... June
Research In Industrial Human Relations—**Harper & Brothers** ..... Mar.
Research Is People—**Lowell H. Hattery** ..... July
Retirement—**Gifford R. Hart** ..... Sept.
Sales Management (3rd Edition)—**Harold H. Maynard & James H. Davis** ..... Oct.
Scientific Inventory Control—**W. Evert Welch** ..... May
Selection Of Management Personnel—**Edited By M. Joseph Dooher & Elizabeth Marting** ..... Sept.
The Statesman's Year Book—1956—**Edited By S. H. Steinberg** ..... Feb.
Statistical Analysis Of Stationary Time Series—**Ulf Grenander & Murray Rosenblatt** ..... June
Supervision Of Personnel: Human Relations In The Management of Men—**John M. Pfiffner** ..... Feb.
Supervisory And Executive Development—**John Wiley & Sons** ..... Mar.
Tested Ways To Close The Sale—**Elmer Wheeler** ..... Sept.
Transformation—The Story Of Modern Puerto Rico—**Earl Parker Hanson** ..... Feb.
Work Sampling—**Robert Heiland & Wallace J. Richardson** ..... Sept.



New Management Writing . . .

THE DYNAMICS OF INTERVIEWING—Theory, Technique and Cases.

By Kahn, R. L. and C. F. Cannell of the Survey Research Center, University of Michigan. New York: John Wiley, 1957, 368 p. $7.75.

THE PERSONNEL MANAGER, the sales manager, the manager concerned with getting work done through other people, will find new ways of thinking about human relations and will gain new insights into the technical aspects of interviewing from this book. To quote the author's purpose from the preface (p. vii):

> *"We have attempted to develop a theoretical statement of what the information-getting and information-giving process involves, to derive a set of criteria for what constitutes an adequate interview, and finally to present techniques to meet these criteria."*

The reviewer finds this book full of valuable suggestions for improving managerial relations. In addition to being a comprehensive statement of the psychological processes in interviewing, it should serve as an inspiration for practical thinking about the relationship between the interviewer and respondent.

The Dynamics of Interviewing establishes in the mind of the reader that interviewing is two-way communication. To be successful, it must be carried on in a receptive atmosphere and under conditions conducive to productive interaction. Otherwise, it may lead to misunderstandings and biased attitudes.

The authors have given us in this book a psychology of interviewing, dealing with the perceptual and motivational aspects of communication in considerable detail. The approach to human behavior taken is commonly called "field theory" as developed by Kurt Levin.

To illustrate, Mr. Adam is on the verge of deciding to buy a car. According to this theory, any given behavior on the part of Adam is the result of many forces exerting pressure on him in various directions, e.g., making wife happy, competing with neighbor, saving for the education of children, buying needed furniture. The pattern of such forces at any different time constitutes a "psychological field". When Adam approaches an automobile agency to discuss his problem, it is essential that he perceive the communications of the salesman "within range" for him.

The study of psychology is emphasized as a prerequisite to good interviewing. Such psychological study distinguishes specific motives and attitudes, and the defense mechanisms used to protect them, which affect the interaction of the parties concerned. Two chapters (2 and 7) provide the essentials for this study as applied to interviewing. One of these chapters is concerned with the interview as a method of measurement, dealing with error and bias in interviewing. Other chapters of the book are devoted to principles and techniques. A second part of the book consists of transcripts of recorded interviews from medicine, business and social work, which illustrate these principles and techniques of the interview.

It is said that neither inborn talent nor rote knowledge of things to do or to avoid will determine the excellence of the interview. Not all interviewers will be successful with all respondents. Some people are better able than others in creating the atmosphere in which communications flourish.

Behavior identified of the kind that will increase the probability of the interviewer being within the "communication range" of the respondent includes: (1) Permissiveness, in which the interviewer accepts the respondent's statements without judgment; (2) Receptivity or expressed interest in what is said; and (3) empathy, where the interviewer feels with the respondent. Sensitivity to human relationships is thought of as the characteristic attitude of the good interviewer.

One chapter (9) presents the problems of training interviewers, and the second part of the book provides an opportunity to acquire skill through identifying good interviewing techniques. Two goals are said to be essential for the training of interviewers:

1. To develop necessary sensitivity to human relationships.
2. To learn interviewing skills.

A major problem of the interviewer is in motivating the respondent, particularly in the opening phases of the interview. Chapter 3 is devoted to this problem in which illustrations are given of openings for different kinds of interviews. Two sources of respondent motivation are identified, the direct psychological rewards of the interview and the acceptance of the interview as a means to respondent goals.

Another major task in interviewing, particularly in developing acceptable attitudes, is in probing to meet objectives of the interview. A chapter (8) analyzes this problem and illustrates the dynamics of the interview in terms of follow-up techniques. Probing must be acceptable to the respondent and be a help to him in verbalizing his feelings. This is accomplished largely by non-directive, though controlled interviewing.

Douglas H. Fryer
Vice President and Technical Director, The Klein Institute for Aptitude Testing, Inc. and The Jack Klein Associates, Inc.

BIG BUSINESS AND HUMAN VALUES.

By Theodore V. Houser. 103 pages. McGraw-Hill. $3.50

THEODORE V. HOUSER, Chairman of the Board, Sears, Roebuck & Company, presents an intimate story of "big business" experiences in successfully blending business objectives and high regard for people as humans in its operations.

Mr. Houser writes, "It is possible to pursue the ends of business without destroying human values in the process. This is not only compatible with success but can be the source of increasing success. The history of Sears, Roebuck & Co. has been marked by a commitment to the premise that its prosperity depends on its ability to develop people."

How the company has carried out this idea in selecting its people and in providing opportunities for broadened experience and steady progress is the subject of one section of the book.

Mr. Houser also describes Sears' humanized and effective approach in the important area of relations with customers, suppliers, the community, and other publics.

Sears' experience in preserving the human touch in its dealings with the particular temperaments and national characteristics met in Latin America forms another section of the book.

The lectures and accompanying discussions on which the book is based are the second group in the McKinsey Foundation Lecture Series sponsored by the Graduate School of Business, Columbia University. In them Mr. Houser offers realistic evidence of how a company, in fulfilling its economic responsibility, may also serve as a vehicle for the realization of individual and community values.

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(*Continued from page 14*)

If that point is ever reached, and as a nation we have been moving rapidly in that direction, to the point of skating on thin ice, as it were, the quality of our top executives will fall and our productivity will suffer.

The moral to be gained is that if we want top executive quality, we shall as a nation have to pay for it. In the author's opinion, we should steer our course away from trying to get our top executives at the low-quality "bargain" prices that the present tax laws apparently contemplate. ■

(*Continued from page 12*)

least cost will result. In the process of rating or measuring the work it is of the utmost importance that, in setting a fair and equitable rate, the correct method and process be definitely established commensurate with good safety practices. In so doing the all important factors of safety with good industrial relations will be attained.

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by **James Townsend,** Operations Analyst, Union Carbide Corp., New York

APPLICATION OF COMPUTERS TO EMPTY FREIGHT CAR DISTRIBUTION
by **Peter Butterfield,** Consultant, Operations Research, Stanford Research Institute, San Francisco

MANAGEMENT OF INNOVATION
by **C. W. LaPierre,** Vice President and Group Executive, General Electric Company, New York

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by **John Allderige,** Technical Advisor, Industrial Engineering Dept., Eastman Kodak Co., Rochester

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